(1945 Department

45 SERIES.

Off. No. 141

Dated 24-10-45

[Despatch Abstract.]

Industries — Sericulture Kollegal Silk Filatures

Kollegal — Supply of Silk — A.I. no. SU/128/201/X

27/4 & 10-[redacted]-6= Revised terms of payment.

SilK Accepted

he cost of cocoons, wages, stores, provision of motive power, supervi ory establishment etc. directly employed in the management working of the filature that is to sa ilature.

lus interest chargeable on the working capital provided by the adras Government.

wise during the year, Madras Govt will debit to Government of he production cost of the raw Silk supplied by them during the eding six months. Such production cost will be open to scrutin by authorised officer of the Central Government.

accounts,
be subje

The Government of Madras will be responsible for by the audit by the Accountant General, Madras. In addition, the Account will also for inspection to the Cost Accounts, Officer of the Government o India in the Finance Department, Supply Finance Branch.

The contract is subject to the conditions of contract conta form W.S.B.133 except that the Risk Purchase Clause incorp Clause 11 thereof shall not apply. These are contained in entitled "Conditions of contract governing Department of S tract" which can be obtained at annas two from.

1. The Manager of Publication, Civil Lines, Delhi.
2. The Superintendent, Government Press, Madras.

The contract is also subject to terms and conditions laid down in letter No. SY/TX-62(106), dated 4-8-42 as amended by lette No. SY/TX-62(106), dated 20-8-43 and letter No. SY/TX-62(106), dated 24-4-44 from the Under Secretary to Government of India Dep of Supply, to your address.

.NO:5:

Please furnish progress reports for fortnights ending Saturd ys showing the quantity of yarn reeled, delivered and in stock duri the fortnight. These reports should be furnished to this office the Director General of Supply, Textiles Directorate, New Delhi. Similar particulars concerning the wastes may also please incorporated in these statements.

.NO:6:

The Contractors are responsible for reporting to the Purchase n contract delivery period cannot be adhered to (vide Clause of the General conditions of contract), and for applying in ension of the delivery period should, however, deliveries be expiry of the contract delivery period, with or prior sanc the Purchase Office and be accepted by the Inspector/or cor h deliveries will not deprive the purchaser of his right to uidated Damages in terms of the contract.

KING OF PACKAGES AND DESPATCH INSTRUCTIONS.-

ide sheets attached.

S.C.Das Gupta, Council
By. Controller of Purchase,
for & on behalf of Governor General in Council.

P.T.O:

Payment for "G" grade will be annas eight lower than Delhi "F" & for any lower grade than than "G" grade.

of final prices. At the end of every six monthly period, the accounts and working of Filature will be reviewed and a new pr.— may be fixed on the basis of the working results of the six/mo.— under reviewed and adjustments effected for any under or over charges made during the period.

The Govt. of Madras will be responsible for the proper maintenand accounts which would be subject to audit by the Accountant General dras. In addition, the accounts will be open for inspection to the st Accounts Officer of the Government of India.

System of Payment.

100% bills showing the provisional cost of yarn at Rs.21/- per lb. shall be prepared on Form W.S.B.116 and submitted in duplicate to the Controller of Supply Accounts, New Delhi for payment duly supported by
1) The Accounts Officer (Copy (No.1) and
2) one additional copy (No.2) of the inspection note issued by the Inspector.

N.B.NO:5:

The contract is subject to the conditions of contract contained in Pamphlet WSB 133 except that the Risk Purchase Clause incorporated in Cl.11 thereof shall not apply. These, are contained in the parphlet entitled "Conditions of Contract governin Deptt. of Supply Contracts" which can be obtained at annas two from
1. The Manager of Publications, Civil Lines, Delhi.
2. The Supdt., Govt. Press, Madras.

N.B. 6:

Please furnish progress report for fortnights ending Saturdays showing the quantity of yarn reeled, delivered and in stock during the fortnight. These reports should be furnished to this office and the D.C Tex.Dte., New Delhi. Similar particulars concerning the wastes may als be incorporated in these statements.

N.B.7:

Contractors are responsible for reporting to the Purchase Officers when contract delivery period cannot be adhered to (Vide Clause II(iv) (a) of the General conditions of Contract) and for applying in time for extension of the delivery period. Should, however, deliveries be made after the expiry of the contract delivery period, with or prior concurrence of the Purchase Office and be accepted by the Inspector/or consignee, such deliveries will not deprive the purchaser of his rights to recover Liquidated Damages in terms of the contract.

MARKING OF PACKAGES AND DESPATCH INSTRUCTIONS:

Vide Sheets attatched.

(S.C. Das Gupt
Dy. Controller of Purchase
for & on behalf of Governor General in

ptance of Tender

The Secretary to the Govt. of Madras, Development Dep

ion of goods.	Unit.	Quantity.	Rate per Unit.	Total Cost.
eeled Raw Silk yarn for the manufacture nufactured textile Components	Lb.	39,000 lbs. (Thirty-Nine Thousand)	The price will be determined later after the scrutiny of your account by A.G. Madras who will certify the cost. The basis of price fixation is, however, as detailed below in N.B. 2.	

lk Fabric
Silk Cordage.
(Heavy & Light
Silk Sewing Thread Light & Heavy.

be supplied from Kollegal Silk Filatures, -Kollegal.)

Provisional payments will, however be made at Rs.21/-/= per lb. which includes cost packing, suitable for transpo in India.

pecification As detailed in N.B. 1 below.

ountry of origin:- India.

Terms of Delivery:- To be delivered free to Ordnance Inspection, Raw Silk Inspection Depot., Mysore

Delivery Schedule.

Date to be tendered.			Quantity to be tendered.
ay.	Month.	Year.	
nd	en required upto		Full.
	12	44	

due to [illegible]

lace to be delivered for inspection: At raw Silk Inspection Depot., Mysore.

Inspecting authority:- The C.I.S.A. C., Cawnpore.
Inspecting officer: Officer in charge, Ordnance Inspection Sqdn, Bangalore or his representative.

N.B.-1.-Silk yarn of whatever denier required shall be supplied by the Kollegal Silk Filatures, Kollegal. The denier will be specified in each despatch instruction.
The particulars of classification of various grades of Silk are given below for information and guidance of the Kollegal Filatures

s:		C	D	E				
mposite	%	79	76	72				
renness	%	80	77	72				
w Evenness	%	69	65	60				
atness	%	83	81	77				
leanness	%	81	78	74				
inding per 5 hanks	---	4	4	6				
verage size	Variation one denier above or below mean size.							
viation.		.7	1.7	1.9	2.0	3.5	-	
		0	7.8	.9	9	11	-	
aximum en city (C.D.E. per Serigraph. F.G. per Centimeter)		3.2			3.2	3.3	3	-
		18	18	18	18	18	-	
longation.								

Original in Sobernum

Copy of letter No. SY/38227/X-3 dated 18-7-1944 from the Director General of Supply to the Secretary to the Govt. of Madras, Develop Department, Madras.

41822 D/44 Ms-4 of 18.7.44

Sub: A./T. Nos. ~~SY/38227/X3/273 and~~ SY/38228/X-3/274 ~~each~~ dt. 10-7-44.

--

Revised schedules to the A/T cited above are sent herewith. The Ms-5-Jabrn schedules sent to you on 10-7-44 should please be destroyed.

Please acknowledge receipt.

SD. (P.B. Sarker)
For Chief Controller of Purchase (SY).

...be securely packed, marked and despatched to the ...ge, Raw Silk Inspection, Ordnance Inspection, Mysore ...

...ll be packed in bales of 50 lbs. each containing 10 ...

...should be separately and individually packed. ...first of all wrapped in thin white paper. ...nd then wrapped with coarser paper of light brown colour. ...rapped in this manner are then put in a linen bag cons- ...tle which is wrapped in a very thick paper, preferably wat...

...hus wrapped is finally enclosed in a gunny cloth and ...with ropes.

MARKING OF PACKAGES AND DESPATCH INSTRUCTIONS:

The yarn is to be securely packed, marked and despatched to the Officer in-charge, Raw Silk Inspection, Ordnance Inspection, Mysore as follows:

1. The yarn shall be packed in bales of 50 lbs. each containing books of 5 lbs. each.

   Each book should be separately and individually packed.

2. The books are first of all wrapped in thin white paper.

3. The books are then wrapped with coarser paper of light brown colour.

4. Ten books wrapped in this manner are then put in a linen bag constituting a bale which is wrapped in a very thick paper, preferably water proof paper.

5. The bales thus wrapped is finally enclosed in a gunny cloth and securely tied with ropes.

Jairi
7/7/44

Copy forwarded to:-

1. The D.G.S., Textiles Directorate, New Delhi (2 copies).
2. The Controller of Supplies, South India Circle, Madras. (2 copies).
3. The C.I.S. & C., Cawnpore.
4. The O.i/c., Raw Silk Inspections, c/o the Controller of Supplies, Bengal 2 Fairlie Place, Calcutta.
5. The O.i/c., Ordnance Inspection, Raw Silk Inspection, Depot., Mysore (2 copies.)
6. The The A.C.S.A., New Delhi.
   Hd. of Acct. will be intimated from time to time as to when despatching instructions are issued. Concurrence of S.F. has been obtained approval of competent authority taken.
7. The Accountant General, Madras.
8. Cell No. 4. This has reference to D.G.S. War Indent No. 58227 (Item 1) Approx. value of purchase is Rs.
9. Secy in A-3.
10. The Director of Industries & Commerce, Madras.
11. The General Manager, Kollegal Silk Filature, Kollegal. via Bangalore.

Jafri
7/7/44

D.O.No.2812-D/44-1/V/Director of Industries and Commerce
Madras, 19th July 1944.

UNDER SECRETARY TO GOVERNMENT

My dear Sivasankar,

21 JUL 1944 Note prepared by DI&C

Sub: Industries - Filature silk - Kollegal Silk Filature - Supply to Government of India during 1944

pp11-13 above

I have just seen the Schedule of Acceptance of Tender No.SY/38228/X-3/274 dated the 10th July 1944 placed on the Secretary to the Government of Madras in so far as supplies of silk during 1944 from the Kollegal Silk Filature, Kollegal to the Government of India are concerne There are two points that call for comment; the first concerns the basis of price fixation as detailed in N.B.2. of the Schedule, and the second concerns the classificatio table given in the Schedule.

As regards the second point first, I would point out that the classification table given here is no longer in force, it having been revised with effect from the 1st of July 1944. I enclose a copy of the revised Classification Table which has been agreed upon by all interests concerned. I suggest that the new table be incorporated in the Tender of Acceptance. In the old table, you will note that there is no such Grade as 'Delhi Grade' although in Note 2. of this Schedule of Acceptance, reference is made to 'Delhi Grade'.

The more important question, however, concerns the basis of price fixation detailed in the second note to the Schedule. At the Conference held in Bangalore in May 1944, I agreed to accept for the silk reeled at the Kollegal Silk Filature, a price which would cover its cost of production plus a profit of 1/6 per lb. In item (1) of Note 2. reference is made to controlled cost of that grade of cocoons, 18 lbs of which will reel one lb. of silk. This is irrelevant in so far as supplies of silk yarn from the Kollegal Silk Filature are concerned. The Government of India have to pay us the net cost of cocoons used by us in producing the silk yarn sold to them, whether the renditta of the cocoons be 18:1 or no. The benefit of a lower renditta goes to them; so also the disadvantage

of a higher renditta.

In item 2. of the Note, reference is made to the average actual cost of reeling. What this 'Average' is, I do not know. Nor is it clear what is meant by 'Cost of reeling'. A list of admissible elements of cost is supposed to have been enclosed, but I cannot find it. A reference to it may throw some light on what is meant to be covered by the phrase 'Average actual cost of reeling'. Generally speaking, the phrase used for such purposes is 'Actual cost of manufacture' or 'Manufacturing charges', which includes not only cost of reeling but also cost of several other operations which precede as well as follow reeling besides including the cost of supervision. This item also makes mention of the value of silk waste without comment. The reference is very surprising indeed as I did not agree to the value of silk waste produced being taken into account in calculating the cost of production. This point was not raised by MacFarquhar and I saw no reason for raising it myself since in the contracts so far entered into with the Government of India by the Kollegal Silk Filatures Ltd., and subsequently by the Government of Madras, the question of value of silk waste never entered into the picture. Nor did this question enter into the picture in the case of the agreement made by the Government of India with the Government of Mysore in respect of supplies of silks from the private Filatures. No question of crediting the value of silk waste to manufacturing charges was ever raised. It is not therefore open to the Government of India now to import this provision into the contract with the Government of Madras as the point was never raised by them; nor was it ever agreed to by me on behalf of the Government of Madras.

I shall be glad if you will take these matters up with the Government of India and see that the Tender is suitably amended.

Yours sincerely,

A. Clow

T. Srivasamar Esq., I.C.S.,
Secretary to Government,
Development Department,
Fort St. George, Madras.

CLASSIFICATION TABLE FOR RAW SILK.

GRADES.	INTERNATIONAL				DELHI GRADES.		
	C.	D.	E.	F.	D(F)	D(G)	D(X)
Items.							
Composite %age							
17 d. and below.	--	77	73	68			
18 d. and above	79	76	72	67			
Evenness (%)	80	77	72	67	67	65	Below 65.
Low Evenness (%)	69	65	60	54	54	50	Below 50
Neatness (%)	83	81	77	73	65	65	Below 65
Cleanness (%)							
17 d. and below	84	82	78	74	65	60	Below 60
18 d. and above	81	78	74	70	60	55	Below 55
Size deviation (denier) 19 d. to 22 d.	1.70		1.9		2.4		Above 2.4
23 d. to 27 d.	2.00		2.2		2.8		Above 2.8
28 d. and above	2.40		2.6		3.5		Above 3.5
Maximum Deviation (denier)							
19 d. to 22 d.	7.8			9			Above 9
23 d. to 27 d.	9.5			11			Above 11
28 d. and above	11.0			13			Above 13
Winding breaks							
17 d. and below	50		70		150		Above 150
18 d. and above	40		55		120		Above 120
Tenacity (Grammes)							
17 d. and below		3.2			3		Below 3
18 d. and above		3.2			3		Below 3
Elongation (%)							
17 d. and below		18	17		15		Below 15
18 d. and above		18			16		Below 16
Cohesion (Strokes)							
17 d. and below		30			20		Below 20
18 d. and above		40			30		Below 30

Note: Evenness, Low Evenness, Neatness, and Cleanness Tests are applicable only to Bengal in the case of Delhi F.

Pl. view my
note
28/7/44

Ltr 22.7.44
DKS written end.
HBH
22.7.44

Letter No. 40912 DI/44-I d 22.7.44 Cypher

To: The Chief Controller of Purchase (Textiles)
New Delhi. (with enc)

Sir, Sub: Kollegal Silk Weaves - Supply of Yarn in 1944 — Acceptance of Tender No SY/38228/X-3/274 d 10.7.44.

pp 3-4 cf
Cover p 9 cf

Ref: Your letter No SY/38228/X-3/274 d 10.7.44 and Mr Sarkar's letter No SY/38227/X, d 13.7.44.

I am directed to forward [pp 15-17 cf] a note of the D.I.G. Madras, on the several items [pp 11-13 cf] and conditions specified in the Schedule to the purchase [D pp 3-4 cf] Order mentioned above and to state that the Govt of Madras consider that the Schedule should be revised in the light of the objections raised thereon. I am therefore to request that action may be taken to revise the Schedule in accordance with

The decision noted at the conference held on 2 p 3 (2)
May/1944 and the letter signed by the Sec. - pp 15-17 of
Mads. Y.O.S.

Copy to the Dir. Gen.
(with reference to his no. 2812 D/46 dt. 1.8.44)

R/5.8.44

P 7/7 9/8/47 43001D/44

TELEGRAMS DIRECTORATE GENERAL OF SUPPLY
"PURCHASE" OFFICE OF THE CHIEF CONTROLLER OF PURCHASE(SUPPLY). 25.7.44
No.SY/38228/X 8 New Delhi, the 17/7/44

To The Secretary to the Government of Madras,
Development Department, Madras.

Sub:- A/Tender No.SY/38228/X 3/274 dated 10/7/44 for filature reeled Raw silk.

Sir,

Reference letter No.SY/TX-62/171 dated 11/7/44 from the under Secretary to the Government of India, D.G.S. Tex.Directorate, New Delhi. to your address, copy endorsed to this office.

The above cited A/Tender is hereby amended to incorporate the following particulars for classification of various grades of silk instedd of those stipulated therein-

* See sheet attached. for silk

Please note that the price for various grades will in future be as follows:-

"Taking" Delhi F" as basic price, the "International F" is to be paid Rs. -/8/- per lb higher, and the International C.D. and E grades are also to be paid at the rate of As. =/8/- per lb higher for each grade. Payments for G & X grades will be made as stipulated in the A/Tender. The other terms of the contract remain unaltered.

Lease acknowledge receipt

I have etc.,

(P.B.Sarkar).
Asstt.Controller of Purchase,
for CHIEF CONTROLLER OF PURCHASE(SY)

Endt 40912D/44-2 d 26.7.44
Communicated to the D.I.&C.

25.7.44
To The D.I.&C

CLASSIFICATION TABLE FOR RAW SILK

GRADES / ITEMS.	INTERNATIONAL GRADES C	D	E		DELHI GRADES D(F)	D(G)	D(X).
Composite % age							
17 D & below.	80	77	73	68			
18 d & above.	79	76	72	67			
Evenness (%)	80	77	72	67	67	65	Below 65
Low Evenness (%)	69	65	60	54	54	50	Below 50
Neatness (%)	85	81	77	73	65	65	Below 65
Cleanness (%)							
17 d and below	84	82	78	74	65	60	Below 60
18 d and above	81	78	74	70	60	55	Below 55
Size Deviation (denier)							
19 d to 22 d	1.70		1.9.		2.4		Above 2.4
23 d to 27 d	2.00		2.2		2.8		above 2.8
28 d and above	2.40		[illegible]		3.5		Above 3.5
Maximum deviation (denier)							
19 d to 22d	78				9		Above 9
23 d to 27 d.	9.5				11		Above 11
28 d&above	11.0				13		Above 13
Binding Breaks							
17 d and below	50		70		150		Above 150
18 d and above	40		55		120		Above 120
Tenacity (grammes)							
17 d & below			2		3		Below 3
18 d & above			2		3		Below 3
Elongation(%)							
17 d and below			17		15		Below 15
18 d&above		18			16		Below 16
Cohesion (Strokes)							
17 d & below			30		20		Below 20
18 d & above			40		30		Below 30

NOTE:- Evenness, Low Evenness, Neatness and Cleanness Tests are applicable only to Bengal in the case of Delhi F, Delhi G and Delhi X Grades.

Upon every and any such reference, the assessment of the costs incidental to the reference and award respectively shall be in the discretion of the arbitrators, or in the event of their not agreeing, of the Umpire appointed by them.

Work under the contract shall, if reasonably possible, continue during the arbitration proceedings, and no payment due to or payable by the Purchaser shall be withheld on account such proceedings.

17. Laws Governing the Contract.—(i) This contract shall be governed by the Laws British India for the time being in force.

(ii) The marking of all stores supplied must comply with the requirements of the Indian cts relating to Merchandise Marks and of the rules made under such Acts.

18. Heading of Clauses.—The headings of clauses hereto shall not affect the construc- on there

15/7 (4 copies)

at the Contractor's risk by such mode of transport as the Director General, Indian Medical Service, may select, or to dispose of or segregate such stores as he thinks fit at the Contractor's risk and on his account and to retain such portion of the proceeds as may be necessary to cover any loss or expenses incurred by or on behalf of the purchaser in connection with the said sale. Freight to destination on stores rejected after examination at destination shall be recoverable from the Contractor at the Public Tariff Rate.

(ix) *Inspection Certificate or Receipt Vouchers.*—On completion of the inspection, the Contractor will be furnished by the inspector with necessary copies of inspection certificates or receipt vouchers duly completed to be attached to the Contractor's bill in support thereof.

11. **Recovery of sums due.**—Whenever under this contract any sum of money is recoverable from and payable by the Contractor, the Purchaser shall be entitled to recover such sum by appropriating, in part or whole, the security deposited by the Contractor, if a security is taken against the contract, and to sell any Government Promissory Notes, etc., forming the whole or part of such security. In the event of the security being insufficient or if no security has been taken from the Contractor, then the balance or the total sum recoverable, as the case may be, shall be deducted from any sum than due or which at any time thereafter may become due to the Contractor under this or any other contract with the Government. Should this sum be not sufficient to cover the full amount recoverable, the Contractor shall pay to the Purchaser demand the remaining balance due.

12. **System of Payment.**—Unless otherwise agreed between the Purchaser and the Contractor payment for the delivery of the stores will be made by the.....as follows, by cheque on a Government treasury in India or on a branch of the Imperial Bank of India transacting Government business. The price of each consignment will be paid on receipt of the stores (duly inspected and passed) in good condition by the Consignee.

13. **Indemnity.**—The Contractor shall at all times indemnify the purchaser against all claims which may be made in respect of the stores for infringement of any right protected by Patent, Registration of design or Trade Mark and shall take all risk of accidents or damage which may cause a failure of the supply from whatever cause arising and the entire responsibility for the sufficiency of all the means used by him for the fulfilment of the contract; PROVIDED ALWAYS that in the event of any claim in respect of alleged breach of Letters Patent, Registered design or Trade Mark being made against the Purchaser, the Purchaser shall notify the Contractor of same, and the Contractor shall be at liberty, at his own expense, to conduct negotiations for settlement of any litigation that may arise therefrom.

14. **Bribes, Commission, Corrupt, Gift, Etc.**—Any bribe, commission, gift or advantage given, promised or offered by or on behalf of the Contractor or his partner, agent or servant or any one on his or their behalf to any officer, servant, representative or agent of the Government or any person on his or their behalf in relation to the obtaining or to the execution of this or any other contract with the Government shall, in addition to any criminal liability which he may incur, subject the Contractor to the cancellation of this and all other contracts with the Government and also to payment of any loss or damage resulting from any such cancellation to the like extent as is provided in case of cancellation under clauses 8 and 10 hereof. Any question or dispute as to the commission of any offence under the present clause shall be settled by the Director General, Indian Medical Service, in such manner and on such evidence or information as he may think fit and sufficient, and his decision shall be final and conclusive.

15. **Insolvency and Breach of Contract.**—Should the Contractor be adjudged insolvent, or have a receiving order made against him, or make or enter into any arrangement or composition with his creditors, or suspend payment (or being a company be wound up, either compulsorily or voluntarily) or commit any breach of this contract not herein specially provided for, the Director General, Indian Medical Service, shall have power to declare the contract at an end in which case the Contractor shall be liable to pay the Purchaser for any extra expenses thereby put to but shall not be entitled to any gain on repurchase.

16. **Arbitration.**—In the event of any question or dispute arising under these conditions or any special conditions of contract or in connection with this contract (except as to any matters the decision of which is specially provided for by these conditions) the same shall be referred to the award of an arbitrator to be nominated by the Purchaser and an arbitrator to be nominated by the Contractor, or in case of the said arbitrators not agreeing then to the award of an Umpire to be appointed by the arbitrators in writing before proceeding on the reference and the decision of the arbitrators, or in the event of their not agreeing, of the Umpire appointed by them, shall be final and conclusive and the provisions of the Indian Arbitration Act, 1940, and of the Rules thereunder and any Statutory modification thereof shall be deemed to apply to and be incorporated in this contract.

Rev. Dept 25

99
Letter no. 40912D/44- d

To The Chief Controller of Purchase (Supply)
New Delhi

Sir, Sub: Kollegal Silk Filatures - Acceptance of tender no. SY/38228/X3/274 d 10.7.44

Ref: Mr. Sarkar's letter no. SY/38228/X3 d 21/17.7.

I am directed to acknowledge the receipt of the letter cited.

Yours faithfully,

Telegrams: PURCHASE

DIRECTORATE-GENERAL OF SUPPLY.
OFFICE OF THE CHIEF CONTROLLER OF PURCHASE (SUPPLY).

No. SY/3822 X-3. New Delhi, dated the 7th August, 1944.

To The Secy. to the Govt. of Madras,
Development Deptt., Madras.

Subject:- Acceptance of Tender No. SY/38[illegible] 274 dt. 10.7.44 for
~~xxx~~ Furniture Rope & Raw Silk.
Ref:- This office letter of even No. dt. [illegible].7.44.

Please note that the revised particulars for the classification of various grades of silk given in the above cited letter will apply to supplies from 1.7.44 only.

Necessary amendments to the schedule to the Accept: of Tender may thus be carried out accordingly.

Please acknowledge receipt.

Draft II

Dy. Asstt. Controller of Purchase,
for CHIEF CONTROLLER OF PURCHASE (SUPPLY).

Endt no. 40912 D/44-5 d 15.8.44
Communicated to the D.I.C

To The D.I.C 14/8/44

Draft L

Letter no. 4091/2 D/44-4 d 15.8.44

To The Chief Controller of Purchase (Supply)
New Delhi

26.77/15/8

Sir,

Sub: Industries – Sericulture – Kollegal Silk Filatures, Kolly
Acceptance of Tender for Supply of Silk during 1944

Ref: Mr. Zachariah's letter no. S y/38228/X-3 d 7.8.44

I am directed to acknowledge the receipt of the letter cited and to invite a reference to my letter no 4091/2 D/44-1 d 22.7.44 on the subject mentioned above and to enquire when a reply may be expected.

f 27 of

14/8/44

14.8.44

5.9.44

(11)

No.SY/38228/X-3. 50215 D/4

DIRECTORATE GENERAL OF SUPPLY.
OFFICE OF THE CHIEF CONTROLLER OF PURCHASE(SUPPLY)

New Delhi, the [redacted] August, 1944.

To

The Secy. to the Govt. of Madras,
Development Deptt.,
Madras.

Sub:- Supply of Filature Reeled Raw Silk from Kolleg l Silk Filatures during 1944 - Sericulture - Industries.

Sir,

Reference your No.40912 D/44-4 dt.15.8.44.

As the matter is still under consideration, you will be addressed in this connection shortly.

I have etc,

Yours obediently,

(P.B.Sarkar),
Asstt.Controller of Purchase
for CHIEF CONTROLLER OF PURCHASE(SY).

Dev Dept

R.K:24/8. J. Addl. C.S

The reply from the C.C.P.(Supply) may be awaited till [redacted] 20.9.44

20/8/44 Dec 2.9.44

JSBurs.

Dev. Dept.

Letter no. 40912 D/44-6 d 21.9.44

To The Chief Controller of Purchase (Supply)
Directorate General of Supply, New Delhi

Sir,

Sub: Industries- Sericulture- Kollegal Silk Filatures, Kollegal- Acceptance of Tender for Supply of Silk during 1944.

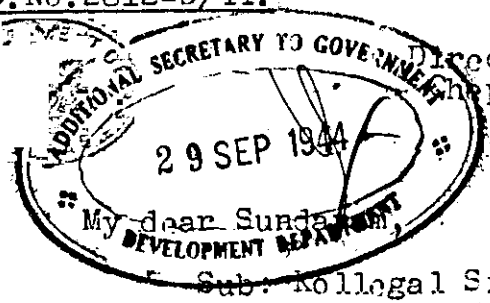
Ref: Mr. Sarkar's letter no. SY/38228/X-3d 24-8

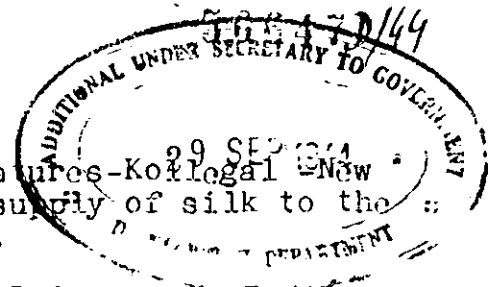
I am directed to enquire when a reply promised in the letter cited may be expected.

(Y. O. S)

D.O.No.2812-D/44.

Director of Industries and Commerce,
Chepauk, Madras, 26th September 1944.





My dear Sundaram,

Sub: Kollegal Silk Filatures-Kollegal - New contract for the supply of silk to the Supply Department.

pp36-38 below

I enclose a copy of a D.O.No.1835-F1/44, dated 2nd August 1944 received from the Manager, Kollegal Silk Filatures, Kollegal in regard to the Acceptance of tender No.SY/38228/x.3/274 dated - 10th July 1944 from the Chief Controller of Purchase (Supply) New Delhi. Action has already been taken on most of the points raised by him in my D.O.No.2812-D/4 dated 19th July 1944 and Government letter No.40912-D/44-1 dated 22nd July 1944 addressed to the Chief Controller of Purchase. One point that remains yet to be considered is as regards the terms offered to Mysore by the Government of India. I have not received a copy of the Proceedings of the last quarterly meeting held with the Government of Mysore. In this connection I invite a reference to my D.O.No.1733-D/44, dated 1st August 1944 to Government. I shall be glad if you will kindly let me have a copy of the proceedings referred to if it has been received from the Government of India with a view to finding out whether treatment as between Mysore Filatures and the Kollegal Silk Filatures is materially different as surmised by the Manager, Kollegal Silk Filatures.

pp3-4 above

pp15-16 above

pp41-42 of 44

Yours sincerely,
A.KHALEELI.

To
Director of Industries and Commerce.

R.M.Sundaram Esq., I.C.S.,
Secretary to Government,
Development Department, Madras.

Forwarded/By Order/

for Director of Industries and

Copy of D.O.No.1835-F1/44,dated 2nd August 1944 from the Manager,Kollegal Silk Filatures,Kollegal.

Sub:Kollegal Silk Filature-New contract for the supply of silk to the Supply Department.

I have received a copy of the revised schedule to Acceptance of Tender No.SY/38228/X-3/274 dated 10-7-44 from the Chief Controller of Purchase(Supply),New Delhi with his letter dated 13.7.44. A comparision of this with the schedu to the A/T relating to the Govt.Silk filatures and the terr understood to have been agreed to by the Government of Indi with the Mysore Filatures,I beg to point out that there are some factors which call for our special attention if the interest of the Madras Government is not to suffer.

1. Basis of price fixation:- In the conference which was held at Bangalore on 13th May 1944, you agreed for a price which would cover the cost of production plus a profit of Rs.1-6-0 per lb. This, read in conjunction with the points raised by the Govt.of India representatives viz.,that they would ensure this filature against loss;that they could no agree to the cost elements being worked out on a fictitious basis which might involve a further concealed profit etc., appeared to me to mean that they will take the all-in cost of production. In the schedule to the A/T however,they have allowed only for the average actual cost of reeling and this too after making allowance for the value of silk waste prod The fact that credit is to be allowed for the value of sil waste produced seems to be a new element and does not find a place in the proceedings of the conference. As far as cocoons are concerned,we are allowed 18:1 rendita at the basic rate for standard quality cocoons. This is very unsatisfactory for the reason that even though the factory monthly averag rendita works out to 18:1 we will get the value of only 18 lbs.of cocoons at the basic price for standard quality cocoons whereas we may have actually purchased cocoons at probably a better assessment of rendita. The actual factory rendita may also be higher than 18:1. Taking the six monthly period from January to June 1944,for example,the average price paid per pound of cocoons purchased is Rs.1-3-6 while the average basic price for the same period is Rs.1-0-5.

The factory average rendita for the period works out to 19:1 and hence we stand to lose 19 x Rs.1-3-6-18 x Rs.1-0-5 i.e. Rs.4-8-0 for every pound of silk. Kindly see statement attached. In short my argument is that the 18:1 basis for cost of cocoons at the controlled basic rate is insufficient. I understand that all the Mysore filatures have raised this objection and have asked for a basis of 21:1 rendita It stands to reason that either the filatures have to be ensured against loss or sufficient margin allowed so that they may work without loss.

The fact that this filature works efficiently has obviously made them agree to actual manufacturing cost(the average manufacturing cost for the six months January to June 1944 is about Rs.4/-)whereas I understand unofficially that they have agreed to pay Rs.6/-to the Mysore filatures.

2. Application of price differentials:

The period price based on Delhi F grade silk and payment for 'G' and 'X' grades will be less by 8 annas and one rupee respectively - in short the contract binds this filature to produce silk to Delhi F grade quality if it is to get the price stipulated; otherwise it stands to lose. I have gone through the records of previous test certificates obtained for the silk produced in this filature and I find that the major portion of our silk has not come up to Delhi F grade. The performance of Govt.Silk Filature is none the better - I am writing to you separately about the quality of silk and the methods to be taken to improve the the same - but as it works on all-in cost basis and the 'quality' clause is not binding on it, it does not matter really what quality silk is produced there. I gather from unofficial enquiries that th quality clause has not been agreed to by any of the Mysore filatures also. It is strange therefore

why this filature alone should be penalised for quality

On the whole I am of opinion that either the Govt.of India should agree to an <u>all-in</u> cost basis which,I presume, you have accepted at the Bangalore Conference <u>or</u> that they must give us proper basis of rendita for value of cocoons and take away the clause regarding penalisation as to quality of silk.

MLM/28.9

JHA 28/9

Department of Industries and Commerce.
KOTTAGAI SILK MANUFACTURES, KOLLEGAL.

Months in 1944.	Quantity of cocoons purchased lbs. (2)	Price paid. Rs. (3)	Average price paid per lb. of cocoons. (4)	Actual quantity of cocoons consumed during the month. (5)	Quantity of silk produced during the month. (6)	Actual reelita obtained for the month. (7)	Controlled basic price for standard quality cocoons (18:1 reelita.) (8)
	Lbs.	Rs.	Rs. A. P.	lbs.	lbs.		Rs. A. P.
January.	69,383.	80,210.	1--3--4.	59,764.	2,443.	30.4: 1.	0-15--3.
February.	46,027.	59,425.	1--4--7	53,282	2,584	20.6: 1.	1--0--3.
March.	48,369	62,500.	1--4--5.	57,028	3,175.	17.6: 1.	1--0--3.
April.	71,149.	89,747.	1--4--0	53,857	3,124	16.9: 1.	1--0--3.
May.	61,267.	69,013.	1--3--2.	56,70[illegible]	3,250.	17.5: 1.	1--1--0.
June.	47,627.	58,261.	1--3--6.	58,669.	3,256.	17.5: 1.	1--1--0.
Total.	3,45,322.	4,19,766.	1--3--6. A	3,39,306.	17,828.	19.0: 1.	1--0--3. B

(i) Actual cost of cocoons utilised for the production of 1 lb. of silk .. Rs. 1-3-6 x 19 = Rs. 23-15-0.

(ii) Amount that will be realised from the Supply Department according to the acceptance of Tender. .. Rs. 1-0-3 x 18 = Rs. 18--7--6.

Therefore loss for every pound of silk produced due to tariff clearance allowance given towards cost of cocoons: .. Rs. 23-15-6 - Rs. 18-7-6 = Rs. 5-8-0.

/True cop[illegible]

JAA
28/-

18.4.6

Codes: Complete Phrase Code
Second " "
Telegraphic Codes—
5th Edition.
6th Edition.
Telegraphic Address:—
"PURCHASE", New Delhi.

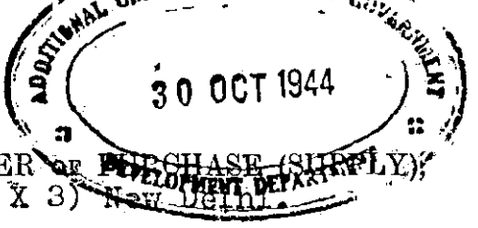
All communications should be addressed to the Director General of Supply, Chief Controller of Purchase (Supply), by title, NOT to any officer by name.

No. SY/38227/X 3

DIRECTORATE GENERAL OF SUPPLY

Office of the Chief Controller of Purchase (Supply).

New Delhi, the 25.10.[illegible] *19*



FROM

THE CHIEF CONTROLLER OF PURCHASE (SUPPLY),
(Section X 3) New Delhi.

To

The Secretary to the Government of Madras,
Development Department, Madras.

SUB:- A/Tender No.SY/38228/X 3/274, dated 10/7/44. for filature Reeled Raw silk.

Dear Sir,

With reference to your letter No.40912 /D-44-1 dated 22/7/44.

I have the honour to inform you that the Revised classification table in respect of various grades of Raw silk has already been sent to you it this office letter of even No.d t d 17/21-7-4 a copy where of is enclosed herewith for ready reference.

As desired a copy of the list of admissible elements o cost is also sent herewith.

As regards the price issue, the whole argument at the conference held on the 18th May, 1944, stated from the basic fact, which was never queried, that the production from the old Kollegal Filatures was recognised both by madras Government and the central Government As coming within the scope of the expansion scheme. This basic fact is also stressed in paragraph 12 of the Record Note of the conference held at Bangalore on 13/5/44, under the terms of the Expansion scheme agreed to, there are three elements in the price make up:-

(a). Cost of cocoons on a final rendita of 18:1 which forms the starting point of the control price of cocoons. / M
(b). Cost of reeling referred to as the cost of production.
&(c) the profit.

What was actually offered at the conference was that the cost of production which is the 2nd element in the price make up will be revised to actuals. There was no mention that the cost of cocoons will also be revised to actuals.

The term "average cost of production" means the average cost of reeling during the period of six months, as it was in revise under at half yearly intervals.

Your Argument that the cost of production should be xxxx known as exclusive of the xxxxxx value of by products viz silk waste is not tenable. The list of elements of cost makes it clear that a credit has got to be afforded for the value of by products to the cost of production. Moreover this is the sense in which other articles coming under the silk expansion Scheme have understood the term, cost of production.

It is hoped that the position will now be clear to you and you will accept the price fixation basis given in A/Tender.

No. 40912/D-Agy-8 dt 9-11-44/D.11-44 Dev. Dept
Communicated to M/s D.I.S.C.
He is enquired a report urgently whether or not his A/T may be accepted as amplified
Mdy/J New Delhi.

Yours faithfully,

(S.C.Das Gupta) 25/10/44

for DY. Controller of Purchase,
CHIEF CONTROLLER OF PURCHASE (SUPPLY)

LIST OF ELEMENTS OF COSTS.

SECTION

Production cost shall consist of the following items of expenditure incurred wholly for the performance of this contract, and which are not excluded by these conditions; but if any of the expenses are incurred for other purposes also, then only the equitable share attributable to the performance of this contract and worked out in accordance with the accepted allocating section expenses should be taken as forming part of production costs under this contract.

1. Raw materials used in manufacture including all costs up to and inclusive of delivery at mill.
2. Sundry stores and materials used in manufacture.
3. Motive Power charges(including power for lighting and fanning installations)

4. Manufacturing wages and allowances, including all Departments up to Stores Department and warehouse inclusive.

Note:- Increases in wages, allowances and perquisites granted after september,1940 will be disallowed unless they have been granted in pursuance of a decision of Government or approved by the or approved by a recognised employer Association. Pay of personnel engaged after September,40 Should not in excess of that allowed to similar personnel before September 1940.

Miscellaneous manufacturing charges(to include Departmental Fire Protection and warehouse charges).
Reasonable maintenance and repairs excluding any element of improvement or capital expenditure (Buildings & Plant

Note:- To procedure adopted by the Income tax Authoriti to indentify items of Capital Expenditure will be followed.

Salaries, etc, of supervisory,clerical and office staff, including Provident Fund Contribution and such other perquisites as have been habitually granted by the Contractor.
Note:- Increment in pay , grant of commission or bonus or any kind of honoraria or allowance unreasonably in excess of those drawn before September,1940 to be disallowed unless covered by agreement executed prior to September,1940 .Any commission or bonus or perquisites that are not clearly justifiable on merits will also be disallowed.
8. Rents, Rates and Taxes.
9. Insurance(Fire & Riot and Consequential Cover, Workmen Compensation and War Risk Insurance)
Accountancy charges, excluding special audits required for Government purposes for which Government will pay separately,
11. Packing
12. Printing postages, Stationery and General Office Expenses.
13. Travelling expenses incurred in connection with Government Work.
14 . Maintenance and repair charges of staff quarters.

Note:-Repairs should be reasonable and including no element of capital expenditure. The practice of the Income tax Department will be used to indentify the items of Capital expenditure.

P.T.

15. Motor vehicles Upkeep
16. Welfare charges.
16. Medical charges, where applicable.
~~18. Bank Charges(Subscriptions to technical bodies, organisations etc)~~
18. Bank charges where applicable.

19. Trade charges, (subscriptions to technical bodies, Literature, organisations etc.

20. Watch and Ward.
21. Legal expenses(if applicable), excluding costs awarded in court against Government.

22. Dismantling and /or movement and /or reerection of plant which is necessary specifically to increase output of Government supplies, and any other expenditure of this nature agreed to by Government (excluding original new plant.

Note:- Any expenditure under this Head should be approved by Government.

23. Standing charges on plant and machinery,where the unit is not Fully occupied on Government Work but is unable to utilise its ~~xxxx~~ surplus machinery for the purpose of ~~xxxxxxxxxxxx~~ manufacturing goods for Civilian market to Government demands making utilisation impossible

Note:- Any expenditure under this Head should be approved Government.

Production costs will be credited with the following i

All cash discounts,trade discounts,rebates, commission price reductions of any kind received or receivable by contractors or any receipts accrued or due ~~x~~ which would be a proper set off against any item of expenditure included in the production costs, and or recoveries under policies of insurance where such recoveries are of a nature and where the premium has been allowed
(b) The proceeds of sales or the value of any secondary product resulting from manufacture or of any material wasted, scrapped, spoiled or otherwise discarded in the processes of manufacture and the value of any such products or materials used or utilised otherwise than for the performance of this contract.

The contractors should get the best value for the waste products in case they are disposed of or allow the market value in case they are utilised by them for purposes other than performance of this contrac

Section II.

The following expenses, losses and outgoings shall be excluded from production costs:-
(a). Taxes, however described, assessed on income and profits by legislation of the Central Government and any expenses incurred in controversies concerning those taxes..
(b). interest on loans debentures or advances by management
(c). premium for insurance-
(i) against the loss of profits (except where permissible under items 5 of section 1) or for the protection of income;
(ii). on the lives of Directors and /or officers, and /or other employees for the benefit of the contractor unless approved by Government;
(iii). against risks which are not customarily covered incurred;
(iv) against risk when Government agrees to accept the liability for damages or loss arising from such k

(d). Any r ous, rat s or tax s, insurance or depreciation charges in respect of lands, buildin s, plant and oth r property which is n t used for or in relation to the subject matter of the contract and any expenses for protecting and maintaining such, except so far as such charges are specially allowed to be included in Production costs.

(e) Losses resulting from sale, destruction or retirement from use of Capital assets.

(f). Expenses incurred for the purpose of incorporation or amalgamation of companies or re organisation of capital.
(g). Selling or publicity or advertisement expenses incurred otherwise than in furtherance of this contract.
(h). Donations to charitable institutions or for unspecified services unless allowable under the Income tax Act.

(i). Bad debts or provision therefor or commission or discount on xx sales.
(j). Anything in the nature of Capital expenditure or appropriation or profits (for example abnormal maintenance charges or bonuses or increases etc, paid to Directors or superior staff and any other expenses except to the extent allowable in item 22 of Section I
(k). Any other expenses that are not strictly attributable to the contract and not specifically included as forming part of production costs

K.L. 24.10.44

CLASSIFICATION TABLE FOR RAW SILK

GRADES	INTERNATIONAL C	INTERNATIONAL D	INTERNATIONAL E	INTERNATIONAL F	DELHI GRADES D(F)	DELHI GRADES D(G)	DELHI GRADES D(X)
Composite % age	80	77	73	68			
17 D & Below.							
18 d & above.	79	76	72	67			
Evenness(%)	80	77	72	67	57	60	Below 65.
Low Evennes(%)	69	65	60	54	54	50	B low 5[illegible]
Neatness(%)	83	81	77	73	65	65	B low 65
Cleanness(%)							
17 d and below	84	82	78	74	65		Below 60
18 d and above.	81	78	74	70	60	55	Below 55
Size [illegible]							
19 d to 22 d	xxxx) 1.70		1.9		2.4		Ov[illegible] 2.4
23 d to 27 d	2.00		2.2		2.8		Ov[illegible] 2.8
28 d & above	2.30		2.6		3.5		Abov[illegible] 3.5
Maximum deviation (denier)	7				9		Abov 9
19 d to 22d	9.5				11		Abov. 11
23 d to 27d	11.0				13		Abov. 13.
28 d & above.							
Winding Breaks							
17 d below	50		XXX	70	150		Above 150
18 d and above	40		55	55	120		Abov 120.
XXX Xxxx							
Tenacity(Grams		3.2			3		B low 3
17 d & below							
18 d and below		3.2			3		B low 3
Elongation(%)		18	17		15		Below 15
17 d and below							
18 d and above		18			16		B low 16
Cohesion(Strokes)		30			20		Below 20
17 d and below							
18 d & above		40			30		B low 30

Note:- Evenness, Low Evenness and Cleanness Tests are applicable only to Bengal in the case of Delhi F, Delhi G and Delhi X Grades.

TELEGRAMS DIRECTORATE GENERAL OF SUPPLY
"PURCHASE" OFFICE OF THE CHIEF CONTROLLER OF PURCHASE(SY.)
No.SY/38228/X 3 New Delhi, the 17/21/7/44.

To

The Secretary to the Government of Madras.
Development Department, Madras.

Sub:- Amendment No. SY/38228/X 3/274, dated 10/7/44 for filature reeled Raw Silk.

Sir,

Reference letter No.SY/TX-62/71 dated 11/7/44 from the under Secretary to the Government of India, D.G.S.Tex.Directorate New Delhi. on your address, copy endorsed to this office

The above cited A/Tender is hereby amended to incorporate the following particulars for classification of various grades silk instead of those stipulated therein.

xxxx Statement attached.

Please note that the price for silk for various grades will in future be as follows:-

"Taking" Delhi F" as basic price, the "International F" is to be paid As. -/8/- per lb higher, and the International C.D. and E grade silk also to be paid at the rate of As. -/8/- per lb higher for each grade.

The xxxxxx other terms of the contract remain unaltered.

Please acknowledge receipt.

I have etc.,

sd/-
(P.B.Sarkar)
Asstt.Controller of Purchase,
for CHIEF CONTROLLER OF PURCHASE(SUPPLY)

[illegible] 447
12-11-44

Copy of letter from the Office of the Chief Controller of Purchase (Supply), Directorate General of Supply, New Delhi, 23-10-44. No. SY/38227/X3. to the Secretary to the Government of Madras, Development Department.

Sub: A/ Tender Nos. ~~SY/38227/X-3/273, dated 10-7-44~~ and SY/28228/X 3/274, dated 10-7-44, for supply of Filature reeled Raw silk ~~from Government Silk Filatures and~~ Kollegal silk Filatures respectively.

Please add the following under column "Inspecting Authority" to the schedules of ~~both the~~ afore mentioned Acceptance of Tenders. "INSPECTING OFFICER:-- Officer Incharge, Ordnance Inspection Depot, Bangalore or his representative at Mysore".

ease acknowledge receipt.

47/13/11

M. issue

Letter no. 40912 D/46-8 d. 11.11.44.

11/11/44 — To The Chief Controller of Purchase (Supply) —

13/11/44 Director General of Supply, New Delhi.

Sir,

Sub: Industries - Sericulture - Khaki Silk Reelings - Supply of silk yarn in 1944 - Purchase order - Acceptance of Tender

Ref: Mr. Parthasarathy's letter no. Sy/38227/X. d 23.10.44

I am directed to acknowledge the receipt of the letter cited.

Yours faithfully,

M.O.S

10.11.44 10.11.44

.O.No.2812-D/44. Director of Industries and Commerce, Madras, 17th January 1945.

ear Sivasankar,

4020-D/45 18.1.45

will you please refer to my D.O.No.2812-D/44 dated 9th July 1944 suggesting that Government take up with the Government of India, among other points, the question concerning the basis of price fixation for the filature silk produced by the Kollegal Silk Filatures and sold to the Supply Department of the Government of India. In reply to your letter on the subject, the Chief Controller of Purchase (Supply) has in his letter No.SY/38227/X 3 dated 25-10-1944 forwarded to me with Government Endorsement No.40912-D/44-8 dated 17th November 1944 pointed out that what was actually offered at the Conference held in May 1943 was not the cost of production as that phrase is ordinarily understood, but the cost of reeling which is but one of the three elements in the price make up under the terms of the expansion scheme. I cannot accept the validity of this contention.

In his letter referred to above, the Chief Controller of Purchase has pointed out that the whole argument at the conference started from the basic fact which was never queried, that the production from the old Kollegal Silk Filatures was regarded both by Madras Government and the Central Government as coming within the scope of the expansion scheme, and that this basic fact has been stressed in para.12 of the record note of the conference. A reference to the record note shows that both MacFarquhar and Ratnam argued that there was a continuing agreement between the Madras Government and the Government of India which required all silk produced under the expansion scheme to be offered to the Government of India on the terms agreed in 1942, a view which I could not and did not accept. On the other hand I stated that the Madras Government's view was that there was no subsisting contract with the Government of India and that the Madras Government was free to negotiate a price which need not be related in any way to past contracts. That MacFarquhar found my proposition unacceptable to him as recorded in the note did not make his proposition any the more acceptable to me. The stressing of his views in the record note which merely records of what actually took place at the meeting is of no consequence

I made it clear that Madras Government could not make any further supplies to the Governmentof India on the old terms as Madras would then be working at a loss. MacFarquhar then offered to pay a price which would cover cost of production and maintain an agreed profit of 1/6 per pound. After considerable discussion I asked for the Madras Government's filatures, a price which would cover its cost of production plus a profit of Re.1/6 per lb. It is rather old in the day to argue that what MacFarquhar meant by cost of production is not really the cost of production but only the cost of reeling. If this be so MacFarquhar should have said so then and I would have made Madras's position doubly clear.

3. I would, in this connexion, also point out that in the list of elements of costs enclosed with the Controller of Purchase (Supply)'s letter, the following statement appears:-

> "Production cost shall consist of the following items of expenditure incurred.....
>
> Raw materials used in manufacture including all costs up to and inclusive of delivery at Mill."

The raw material in this case is Cocoons. It is clear that the Government of India also normally understand by production cost what I understood at the conference and what others always understand by that phrase.

4. Acceptance of the Government of India's interpretation would mean Madras Government in considerable loss, for the renditta 18:1 bears no relation whatsoever to the renditta as found in actual reeling. Raman has reported that the very minimum renditta which would be required to ensure Madras against loss would probably be 22:1. At the conference held in October 1944 between the Government of India and the filature interests in Mysore, a similar difference between the renditta arrived at in the markets and the renditta actually secured was stated to exist. Targett in replying to this, among other points, assured the filaturese that it was not the intention of the Government of India

that they should work at a loss and that the Government of India was prepared to give the question of renditta a realistic consideration. Government of India know that 18:1 renditta is a fictitious renditta and that there is little merit in hanging on to it. Madras realised this long ago and it is for this very reason that I, on behalf of Madras Government, accepted payments based not on the fictitious formula that had held the field till then, but based on the actual cost of production plus a specific profit.

5/ As regards credit being given for the value of waste silk which is a by-product to the cost of production the matter is not of much consequence and I do not wish to press it further.

Yours sincerely,

V.Sivasankar Esq., I.C.S.,
Secretary to Government,
Development Department, Madras.

2214 D/4

No.D.1.2812/44 Office of the Director of Industries and Commerce, Madras, dated 6th April 1945.

From A. Khaleeli Esq., I.C.S., Director of Industries and Commerce, Madras.

To the Secretary to Government, Development Department.

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
8 - APR 1945
DEVELOPMENT DEPARTMENT

9 - APR 1945

Sir,

Sub:- Industries - Kollegal Silk Filatures, Kollegal - Supply of raw silk to Government of India - Letter from Supply Department, Sy.38228/X-3/274, dated 10-7-44.

With reference to the above, I have the honour to state that according to the contract entered into with the Supply Department, a quantity of 39,000 lbs. of raw silk was to have been supplied by the 31st December last. But the quantity actually tendered up to that date was 29,426 lbs.- 15 ozs. and the balance still to be supplied is 9573 lbs. - 1 oz. Assuming a production of 2500 lbs. on an average per month, it will be possible to complete the contract by 30th April 1945. I therefore request that the Supply Department of Government of India may kindly be addressed to extend the time for tendering silk up to that date.

for Director of Industries & Commerce

MVS/7-4

29426-15
9573-1

Pl. issue
Xx 11.4.45 7/12/4

Letter No. H0912 Dt. HH - 14 d. 11.4.45

The [illegible] to the Govt. of India
Dept. of Supply (Directorate General of [illegible])
[illegible]
New Delhi

DPd 20/6

Subject: Sikh Expansion Scheme - Kollegal
Silk Dealers - Supply of Silk.

pp 11-13 of H 41-5 of

[illegible] Order No SY/38228/X-3/274 [illegible] dated 10.7.1944. - Acceptance of [illegible] with reference to the correspondence on the subject mentioned above, I am

p 41 of

directed from the Chief Controller of Imports (Supply), Letter No SY/38223/X-3 dated the 25th October 1944, to state that the Govt. of Madras find that the terms of the tender do not appear to contain the decision reached at the conference held at Bangalore in May 1944; and that they are not in a position to accept it on such terms. They desire to point out at the outset that there is no continuing contract between the Govt of Madras and the Dept of Supply for the supply of Silk on the previous terms, and that they are at liberty to decline to supply silk if the terms offered thereof are not satisfactory to them. While the Govt of Madras are anxious to supply

pp 11-13 of pp 3-4 (W)

notes on H 6-7 ref

M

ibid - W/p 7 ref

all the silk required for war purposes, they consider that the supply should not be interfered if we would result in loss to them.

2. During the discussions which took place during 1943 from the Kollegal Silk Dealers, the Dy Chief Masters who represented the Govt of Madras, at the meeting in May 1944 clearly stressed the need for payment of the actual cost of production plus an assured profit of Rs 1 per lb of silk. I am hereby that, after carefully considering the Govt of Madras are of opinion that the Supply of Silk purchased from Kollegal Silk Dealers should be made on the following terms which will be equitable and fair to both the parties of the Contract.

(i) Actual price paid for cocoon during a period of six months plus

(ii) Actual manufacturing Costs during the period, which will include, besides the items mentioned in the list of elements of cost furnished with the letter dated 25.10.44 Govt will pay Dealers interest at 4½% on Capital employed in cocoon plant, machinery and buildings, charges for the high supervision of the Dy Chief and his staff and rent and allowance being made for such Govt servants and Pensionary contribution of the staff, and

(iii) a fixed profit of Rs 1/6 per lb of silk.

A on p 10 ante

L 41 Cf

I am to request that the concurrence of the Govt of India to the acceptance of these services may be obtained and communicated and that instructions be issued (on the lines indicated) for the payment of the cost of silver supplied in 1944

Y.O.

9/4/45

pp 11-12 ✓

Dpd Ec 11/4

Copy to D.Sec ✓

Copy to A.G. Madras ✓

11.5.45

6.445

69/Russia

'45/149

40912 D/44 – 15 d 14.4.45

Letter No ~~D/44 – 15~~

From The Chief Controller of Purchase (Supply)
New Delhi

To The Kollegal Silk Filatures, Kollegal –

Supply of Silk – Tender No SY/38228/X-3/274 d 10.7.44
H.J. 40".

I am directed to state that the Kollegal Silk Filatures Kollegal has tendered, till 31.12.1944, 29½ lbs of 2/3 ends Bengal quality Vide p 59 of Tender Enquiry No 39000 lbs as specified in the Tender cited. It has further stated that the said Filatures will be able to tender the remaining 9573 lbs 10 oz of silk by 30th April 1945. It is requested that the Tender may be extended for the completion of the supply of the entire quantity of silk in respect of the Tender cited may be extended upto the end of April 1945 i.e. by 16 days.

Recd 14.6.45

M on p 59

DPd Eov

Copy to D 28

Copy to the Public

Letter no. 22144D/45-15d

The Secretary to the Govt of India Chief Controller of Stores
Dept of Supply, Directorate General of Supply
(Textiles Directorate), New Delhi

Sub: Kollegal Silk Filatures, Kollegal

A/T No. 38228/X-3/274 d 10.7.44

I am directed to state that the Regal Silk Filatures, Kollegal have delivered up to 31.12.44 quantity of 39,000 lbs of raw silk due to be delivered to the Supply dept by 31-12-44 according to the schedule to the A.T. cited, only the quantity actually tendered upto that date viz 29,426 lbs 15 oz and request the time for supplying the balance quantity, namely 9573 lb 1 oz may kindly be extended upto 30.4.1945. It is explained that the reason for the non supply of the balance quantity is due to the fact that the filatures were closed for the season from the middle of March 45. I am to request that

Ref. on p 11 of file

Note on p 5 of file

11.4.45

Complete Phrase Code
Second " "
A. B. C. Telegraphic Codes—
5th Edition.
6th Edition.
Telegraphic Address :—
"PURCHASE", New Delh

All communications should be addressed to the Director General of Supply, Chief Controller of Purchase (Supply), by title, NOT to any officer by

No. SY/38228/X-3/274

DIRECTORATE GENERAL OF SUPPLY

Office of the Chief Controller of Purchase (Supply).

UNDER SECRETARY
24 JUL 1945
DEVELOPMENT DEPARTMENT

New Delhi, the 24th *July, 1945.*

40912 D/45

FROM

THE CHIEF CONTROLLER OF PURCHASE (SUPPLY),

To

The Secretary to the Government of Madras,
Development Department,
M A D R A S.

Sub:- Silk Expansion Scheme - Kollegal Silk Filature - Supply of Silk - Tender No. SY/38228/X-3/274 dt. 10.7.44.

I am directed to refer to your letter No. 40912 D/44-14, dated 11th April, 1945, and to invite your attention to the Record Note of the Silk Conference, held at Bangalore, on 13th May, 1944, when it was agreed by the Madras Government that the A/Ts for Raw Silk placed by the Chief Controller of Purchase (Supply), were governed by the provisions of the General Contract with the Government of Madras. The "Cost of Cocoons" under the agreement is distinct constituent of the price of raw silk, apart from the "Cost of Production" element which has been understood to cover the reeling cost. For the Raw Silk delivered during 1943, the cost of cocoons payable was stipulated to be the market price of 18 lbs. of cocoons against each lb. of Raw Silk delivered. The price payabl for cocoons, then, varied according to the variations in the market price. This market price now is represented by the controlled price, and the Government of India have agreed to pay the price of such 18 lbs. of cocoons, for every lb. of raw silk, as are assessed to yield 1 lb. of raw silk, under the Control arrangement. It would therefore, follow that the "Cost of Cocoons" being so defined as a distinct item of cost, it was not intended to be covered by the item of "Cost of Productions" which referred only to the reeling costs. It is, therefore, not clear on what basis now, the revision of the terms incorporated in the A/T issued on 10th July 1944, for 39,000 lbs. of raw silk is desired.

2. As regards the deliveries of raw silk by the Madras Government from the Kollegal Silk Filature, during 1945, the quantity after completion of the above A/T for 39,000 lbs., is likely to be comparatively ~~xxxxxxxxxxxxxxx~~ small, and if, a revision of the price arrangement for this quantity should still be desired, the matter would be fully considered on receipt of a reply from the Government of Madras.

I have etc.,

B L Varma 20/7/45

(B.L. VARMA)
Asstt. Secretary to the Government of India.
(Supply).

D.S. / 20.7.45.

Endt. 40912 D/45- dated
Communicated to the D.D.S.E. for information.

D/ subject to JSS 134/13/8 approval & signature of Secy. Dept. Draft sent by Express mail. [illegible] 13-8-45

D.O. No 40912-D/44-20 d 13.8.45

Dear Sir Robert,

Sub: Kollegal Silk Filatures, Kollegal - Supply of Silk against Tender No. SY/38228/X-3/2 dated 10.7.1944 - Revision of price thereon

Ref: Mr. Varma's letter No. SY/38228/X-3/27 dated 20.7.1945

I am to invite a reference to the correspondence on the subject mentioned above, dealing with the letter cited from the Office of the Chief Controller of Purchase (Supply) New Delhi and to state that the C.C.P(S) has not given a clear reply to the points raised in para 2 of his Govt's letter of even number dated 4th April 1945. The Govt of Madras has sought to impress on the Deptt of Supply that the term 'Cost of production' as discussed at the Conference held in Bangalore in May 1944 obviously covered all items of cost including the cost of Cocoons and that the price schedule in respect of the supply of Silk from the Kollegal Silk Filatures should be such as not to involve them in any loss but to allow on the other hand, for a margin of Rs 1/8 per lb over and above the actual cost of production.

In para 2 of Sivaswami's letter of even number dated 14th April 1945, it was specifically brought out that what

items should constitute the actual cost of production and as to how the price Schedule should be framed.

I am therefore to request you to ~~give your~~ be good enough to ~~personal attention~~ further give careful consideration to the representation of the Govt of Madras, and to express the hope that ~~from a perusal of the records bearing on the Subject~~, you will realise appreciate the reasonableness of the request made by this Govt for a revision of the price of Silk from the Kollegal Silk Dilatures on the basis of actual cost of production plus a profit element. ~~and to instruct~~ The C.C.P(S) may be instructed in 1944 and in 1945 to arrange for payment for Silk made against Tender No SY/38228/X-3/274 d 10.7.1944 on the revised basis.

I am to add that the Govt of Madras will be glad to discuss this question with you, if necessary, during your enquiry visit to Madras in connection with the liquidation of the assets of the Govt Silk Dilatures, Kollegal.

Subject to orders of Hy S.T. Advisory Committee

(Y. S.)
13-8-45

Le 138 45 J.S.

To Sir R. Jargeant
D.G. of Supply
(Textiles Divn)
New Delhi

Copy to DIBL (with Cy of Govt letter)

R 11.9.45

C.P. 32

In reply, please quote number, date and short title.

Industries & Commerce DEPARTMENT.

Received *Registered* 49238 D/48

13 AUG 1945

From (Name) A. Khaleeli, Esq., C.S.,

(Designation) Director of Industries & Commerce

Post Box 432, (Station) Madras.

Telegraphic Address

To

The Secretary to Government,
Development Department,
Madras.

No. D.1-2812/44, *dated* 9th August 1945

Sir,

Sub: Industries - Sericulture - Silk Expansion scheme - Kollegal Silk Filature, Kollegal - Supply of silk - Tender No. SY/38228/X-3/274 dated 10-7-44 - Acceptance of.

Ref: Government's letter No.40912-D/44-14, Development dated 11th April 1945 addressed to the Secretary to the Government of India, Supply Department

---

I suggest that the Government of India be reminded about the acceptance of the revised terms of the contract, as detailed in the Madras Government's letter cited.

for Director of Industries & Commer

CWG-10/8.

ENCLOSURES

COPIES

issue wpatty

Letter no. 40912:D/44-21 d 30.8.45

To

The Secretary to the Govt. of India
Dept of Supply (Directorate General of Supply)
Textiles Directorate, New De

Sir,

Sub: Silk Expansion Scheme - Kollegal Silk Filatures Kollegal - Supply of silk against Tender no. Sy/38228/X-3/274 d 10.7.44 - Revision of price schedule

p 67 of — Ref - From the Chief Controller of Purchase (Supply), letter no Sy/38228/X-3/274 d 20.7.45 -

I am directed to state that at ~~a~~ the meeting of representatives of the Govt of India with the officers of ~~and~~ the Govt. of Ma held at ~~the~~ Madras ~~Silk Secretariat~~ on 25.8.45 ~~regard~~ p 32 of ~~the liquidation of assets of Govt. Silk Filatures, Kollegal~~

~~has been agreed by the representatives of the Govt of India~~ agreed to
supplied by the Kelleve Sea Islands in 1944 & 1945
for the silk on the basis of the actual cost of production
including the cost of cocoons together with the margin of profit of
Re 1-8-0 per lb. I am directed to request that ~~a confirmation of this~~
~~position by~~ the Govt of India may ~~be obtained and~~ kindly convey
~~communicated to this Govt at an early date~~
this decision officially and issue necessary instructions to the
Chief Controller of Purchase (Supply), New Delhi for payments
being made on that basis. ~~within~~

AM
30/8/44.

17 n. p 32 ng

Copy to the Dept
" A G, Mad

R 28.9.43

THIRD ASST. SEC. 17 SEP 1945 DEVELOPMENT DEPARTMENT

6500 D/45

Directorate General of Supply
Office of the Chief Controller of Purchase(Supply).
No.SY/38228/X-3. New Delhi.Dated.The ptember, 1945.

To

The Secretary to the Government of Madras,
Development Department, Madras.

Sub:-A/T.No.SY/38228/X-3/274 dt.10.7.1944 for Filature Reeled Raw Silk from Kollegal Silk Filature, Kollegal.

Sirs,

The basis of price fixation given in N.B. 2 of the Schedule to the cited A/T. may please be amended to read as under :-

Cost of Cocoons Plus Reeling Charges. * Plus (iii) Rs. 1/6/- per lb. as profit. * at actual.

Other terms of the Contract remain unaltered.

Please acknowledge receipt.

Yours faithfully,

for & on behalf of the Governor
(P.S.Sood) Astt.Director, Textiles.
New Delhi.

Copy to:-1. D.G.S., Textiles

76 29/28/9

Pl. mm Endt. 40912 Dj 44 dd 27-9-45

Communicated to the D. J & L.

27/9/45

2. He is requested to report at once whether, under the revised terms, the Govt of India have agreed to the Burgh Sales made by His Govt in their Cases No. 40812 Dj 437-44 d 11-4-45 and whether the revised terms may be accepted.

K. 18/9/45

To the D. J & L.

5.10.45

9/45

Yes 1945

1945

Memo no. 40912D/44-24d 8.10.45

Sub: Industries- Sericulture- Kollegal Silk Filatures- Supply of silk yarn to Central Govt. during 1944- Acceptance of Tender Sy/38228/X-3/274d 10.7.44- Revision of price Schedule

Ref: Govt. Endt. no. 40912D/44-23d 27.9.45

The D.I.& C. is requested to expedite his reply to the endt. cited.

By order,
Sd/- illegible

5/10/45

To D.I.& C.

23.10.45

Letter no. 40912 D/44-25d 9.10.45

To,
The Chief Controller of Purchase (Supply)
Directorate General of Supply, New Delhi

Sir,

Sub:- Industries - Sericulture - Kollegal Silk Filatures, Kollegal -
Acceptance of Tender no SY/38228/X-3/274 d 10.7.44

Ref: Mr. Sood's letter no. SY/38228/X-3/274 d 12.9.45

I am directed to acknowledge the receipt of the letter cited. A separate communication will follow regarding the acceptance of the revised terms indicated therein

O. O. S.

A on p 75 cf

~~p 77 cf~~

Encls 'A' on p 77 cf
& B on p 78 cf

9/10/45 9.10.45

9/10/45

encl at p 76 cf
to form Title

61201 D/45
6.10.45

DIRECTORATE GENERAL OF SUPPLY
OFFICE OF THE CHIEF CONTROLLER OF PURCHASE (SUPPLY)
No. SY/38228/X-3 New Delhi, the 2/10/45.

for 40712 D/45

To

The Secretary to the Govt. of Madras,
Development Deptt., Madras.

Sub:- A/T No. SY/38228/X-3/274 dated 10-7-44 for Filature reeled raw silk.

Please refer to this office letter of even No. dated 12th September, 1945 and acknowledge receipt as soon as practicable.

(P.S. Sood)
Assistant Director of Textiles,
for CHIEF CONTROLLER OF PURCHASE (SUPPLY)

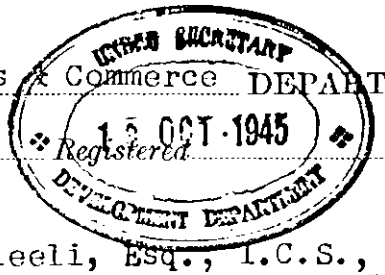
MLG.2/10/45.

C.F. 32 (a).

Industries & Commerce DEPARTMENT.

In reply, please quote number, date and short title.*

Received ..... Registered .....



From (Name) A. Khaleeli, Esq., I.C.S.,

(Designation) Director of Industries & Commerce,

Post Box 432, (Station) Madras.

Telegraphic Address.....

631 15 D/45

To

The Secretary to Government.
Development Department,
Madras.

No. D.5-2812/44, *dated* 10th October *19*45.

Sir,

Sub: Industries - Sericulture - Silk expansion scheme - Kollegal Silk Filature, Kollegal - Supply of silk - A/T No. SY/38228/X-3/274 dated 10-7-44 - Acceptance of.

Ref: Government Endorsement No.40912-D/44-23, Development dated 27th September 1945.

SPARE COPIES ..... at p 76 above

In para 2 of their letter No.40912-D/44-14 dated 11th April 1945, the Government of Madras, suggested the following terms:

at p 62 above

(i) actual price paid for cocoons plus
(ii) actual manufacturing cost during the period which will include xx xx waste silk produced and
(iii) a fixed profit of Rs.1/8 per lb. of silk.

m'on p 62 above

The terms (i) and (iii) above agree with the terms (i) and (iii) in the Government of India's letter dated 12-9-45.

" p 62 above

2/

In regard to (ii) however, the Government of India have used the term "reeling charges at actuals", while the term used by the Government of Madras is "actual manufacturing costs, etc.," It is presumed that reeling costs include items like increase in depreciation, higher supervision charges etc., If so, the Government of ~~India~~ India may be considered to have agreed to the suggestions made by the Government of Madras and the revised terms accepted.

A/

11/10

C VG-11.

for Director of Industries & Commerce.

P. Firms + Delhi

Dress Dept

Letter No. [illegible] (MS) dtd 24.10.45

4/10/45 [illegible]

[illegible] Secretary to the Govt of India [illegible] 26-10-45

[illegible] of Supply

Director General of Supply, (Textile Directorate)

New Delhi.

Sir, [illegible] Kolleggiate Sikh Khalsa, Kolegal - Supply of [illegible] Sikh [illegible] A.T. No. Sy/38228/X-3/274 dated 4.9.1944 - Revised terms of payment

Letter No. Sy/38228/X-3 dated 12.4.45

from the Chief Controller of Purchase (Supply)

New Delhi.

In continuation of my letter No. H.0912 D/44-25 dated 9.10.45 on the subject mentioned above, I am directed to say that the

Govt. of Madras agree to the revised terms suggested in the letter cited, for the supply of Silk supplied by the Kollegal Silk Weavers, Kollegal provided the the ruling charges at actuals is used to indicate the 'actual manufacturing costs' claimed by them as detailed in para 2 of their No 40912 D/44-14 dated 11.4.45 addressed to you

I am to request that necessary instructions may kindly be issued to arrange for the payment of the cost of Silk supplied so far on the basis mentioned in para 1 above.

24/11/45

Copy to the D.S.C. & to A.G. (K.L.C.) L.75

DIRECTORATE GENERAL OF SUPPLY

OFFICE OF THE CHIEF CONTROLLER OF PURCHASE (SUPPLY)

No. SY/38228/X3 New Delhi dt.

To

The Secy. to the Govt. of Madras,
Development Deptt., Madras.

UNDER SECRETARY 12/45. 3 JAN 1946 DEVELOPMENT DEPARTMENT

Sub:- A/T No. SY/38228/X3/274 dt. 10/7/44 for Filatures Reeled Raw Silk from Kollegal Silk Filature, Kollegal.

Dear Sir,

Reference your letter No. MS4161 dt. 24.10.45.

Clause (ii) of the basis of price fixation as given in this office amendment letter of even no. dt. 12/9/45 may please be amended to read as under:-

(ii) Actual reling charges restricted by the list of admissible cost less proceeds of silk waste.

ther terms of the contract remain unaltered.

lease acknowledge receipt.

Yours faithfully,

(P.S.SOOD) A.D.X.

for & on behalf of Governer General in coun

Endt no. 1437 D/46-1 d 11.1.46 Very urgent

Communicated to the D.D&C. for remarks

Sd/- ... 10.1.46 Letter 10/1/46

Sd/- ... 11.1.46

Sd/- ... 16.1.46

To The D.D&C.

R 29.1.46

Note: Z on p/sheet is not identical with M on p 86 of (4). As the proposals overleaf are in modification of the terms ~~stated~~ appearing at Para 86 of (4) ~~referred to~~, it is perhaps desirable to call for D.D&C's remarks before acknowledging the receipt of the letter subject to above, a draft of which the D.D&C is submitted above for approval

Sd/- 10/1/46 Letter 10/1/46

114/30/1

Memo no 1437 D/46 2 d 30.1.46

Subj: Destruction of Secret Cultures Kriegsmarine Stock Fighting

Kriegsmarine A/T no 53/38228/X3/274 d 10.7.44

for Supply of Stk & Control Set

Refs: Sub-enclosure no 1437 T/46-1 d 11-1-46

The D.D.I.C is requested to expedite his reply to the endt cited.

Mr 30/1/46

Mr 29/1/46 29.1.46

2a 29.1.46

The D.D.I.C

K 12.2.46

27.1.46

42
14/pl. cmm 13/2/46

Dte | Dept

Memo no. 1437 D/46-2 d. 13.2.46

Sub:- Industries - Sericulture - Kollegal Silk Filatures, Kollegal -
A/T no Sy/~~F~~ 38228/X=3/274 d 10.7.44 for -
Supply of Silk & Control Staff -

Ref mb. memo No. 1437 D/46-2 d 30.1.46.

The D.I.C. is requested to expedite a reply to the memo cited

14/2/46 DIC 12.2.46

12/2/46

Dpd 14/2

To The D.I.C

R 15.2.46

C 1437 D/46

1458

GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND SUPPLIES,
DIRECTORATE GENERAL OF INDUSTRIES AND SUPPLIES,
No.SY/38228/X-3, New Delhi the 14th February 19

The Secretary to the Government of Madras,
Development Department,
Madras.

Subject:- A/Tender No.SY/38228/X-3/274 dt. 10.7.44 for filature reeled raw silk from K.S.F.Kollegal.

Sir,

I am directed to refer to this office letter of even number dated 3rd January 1946, and to request that the same may kindly be acknowledged at an early date.

I have, etc.,

S. C. Aggarwal

(S. C. Aggarwal.)
Director, Administration & Co-ordination.

Pl. issue

Ltr 27/2/46

L 5/3. 346 Ltr to Coms Dte Dep

Letter no. 1437 D/46 Y d 27.2.46

28/2/46

Do

Spl/Y3

The Director, Administration & Coordination
Directorate General of Industries & Supplies
New Delhi

Sir,

Sub: A/Tender SY/38228/X-3/274 d 10.7.4
- for filature reeled raw silk from KSI
Kollagal

✓ p 5cf Ref: Mr. Agarwal's Letter no. SY/38228/X-3 d 14.

I am directed to acknowledge the receipt of Ltr no. SY/38228/X-3 d 3.1.46 from the Chief Controller of Purchase (Supply) and to state that ~~the matter is under the consideration of this Govt.~~ a final communication will follow regarding the acceptance of the attached tender

(*)

27/2/46

Revd

C.F. 32.

In reply, please quote number, date and short title.*

Industries and Commerce DEPARTMENT.

UNDER SECRETARY 7 MAR 1946 DEVELOPMENT DEPARTMENT

Received ..... Registered .....

From (Name) A. Khaleeli, Esq., I.C.S.,

(Designation) Director of Industries and Commerce,

Post Box 432, (Station) Madras,

Telegraphic Address "Indcom"

1553 D/44

To

The Secretary to Government,
Development Department,
Madras.

No. 2812-D/44, dated 25th February 1946

Sir,

Sub: Industries - Sericulture - Kollegal Silk Filature, Kollegal - A.T.No.SY.38228/X.3/274 dated 10-7-44.

Ref: Government Endorsement No.1437-D/46-1, Development dated 11-1-46-X

ENCLOSURES ✓ 12 cols

SPARE COPIES.....

Government in para 2 of their letter No.4091 /44-
dated 11-4-45 to the Government of India stated t he
supply of silk produced in the Kollegal Silk Fila re
should be made on the following terms which will be
equitable and fair to both the parties of the contract

(i) Actual price paid for cocoons during a period of six months; plus

i) Actual manufacturing costs during the period, which will include--besides the items mentioned in the list of elements of costs forwarded with the letter dated 25-10-44 cited in paragraph 1 above--interest at 4½ per cent on capital, depreciation charges on plant, machinery and buildings, charges for the higher supervision the Director of Industries and Commerce and hi staff and leave and pensionery contribution of the staff, allowance being made for waste silk produced and

iii) a fixed profit of Rs.1/6/- per lb. of silk.

The Government of India in their letter No.S /
(-3 dated 12-9-45 issued the following amendment.

(i) cost of cocoons plus
(ii) Reeling charges at actuals plus
(iii) Rs.1/6/- per lb. as profit.

~~There~~upon, Government in their letter No.Ms.416 ✓
dated 24-10-45 to the Government of India agreed to
revised terms provided the term "reeling charges a
actuals" is used to indicate "the actual manufacturi
cost etc." claimed by Government as set out in para
of their letter dated 11-4-45. In reply, the Gover
of India in their letter No.SY/38228/X.3 dated 3-1-
have issued an amendment to clause (ii) as follow
"Actual reeling charges restricted by the list of
admissible cost less proceeds of silk waste".

The amendement suggested now, does not, however, appear to enlarge the scope of the admissible elements of cost, so as to include interest on capital, depreciation charges etc., proposed by Government in para 2 of their letter dated 11-4-45. I request therefore that Government may get this point clarified before accepting the revised terms of the contract.

(2) By the expression "other terms of the contract remain unaltered" referred to in the Government of India's letter, it is presumed that the sub clauses included in N.B.2 of the schedule to the contract relating to the classification providing for (i) payment of bonus in respect of silk of grades higher than Delhi F. and (ii) reduction in rates payable for grades lower than DelhiF., still stand. I may kindly be informed if my presumption is correct.

28/2

for Director of Industries & Commerce.

CVG-27.2.

Dev Dept.

To

p 1 cy and report of the D.I.&C. on the 9-10 cy

file, also may be perused.

With reg to A also, a draft letter is submitted for consideration.

Revised
Rs 7/3/46

8/7/3

+ GM 7 M 9.10 G

Dy Secy Supply 7/3

Dev. Dept

Letter No. 1437 D/46-5 dt 7.3.46

To The Director, Administration and Coordination
Directorate General of Industries & Supplies,
New Delhi (with x encl)

Sir, Sub: Servicemen - Tender for Supply of Silk by
Kollegal Silk Filatures, Kollegal - AT No
Sy/38228/X-7/274 dt 10.7.44 - Terms.

Ref: From the Chief Controller of Purchases (Supply)
New Delhi, Letter No Sy/38228/X 7 dated
3.1.46.

With reference to the above
the issue of supply of Silk by the Kollegal Silk
Filatures, Kollegal communicated in the letter cited,
I am directed to forward a note x from the DIS
Hqrs containing his remarks on the revised terms.
I am to request that the points raised in the

+ Y 4 9.10 G

Note may kindly be clarified as on next date
so that the Govt of India may apprise itself
accordingly of the action taken.

4.5.46

5.5.46.

Copy to M/D

R 5.5.46

DEPTT. OF INDUSTRIES & SUPPLIES.
DIRECTORATE GENERAL OF INDUSTRIES AND SUPPLIES.
NEW DELHI. DATED. THE 30th MAY, 1946.

No. X-27/38228.

To

The Secretary to the Government of Madras,
Development Department, MADRAS.

UNDER SECRETARY 37488
JUN 1946
DEVELOPMENT DEPARTMENT

Subject :-Acceptance of Te-nder No. SY/38228/A-3/274 dated 10-7-194 for Filature Reeled Raw Silk from Kollegal Silk Filatures Kollegal.

Sir,

Ref:- Your letter No. 1437.D/46-5 dated 7.[illegible]1946.

I am directed to refer to the above mentioned letter enclosing copy of a note sent to you by Your Director of Industries and to state :-

1). that central Government is agreeable to the inclusion in cost, the allowance for depreciation of assets, such an allowance being determined on the written down value of the assets by the application of depreciation rates allowed by the Income Tax Authorities,

2). that interest on Capital is not an item of cost and as such Central Government regret the inability to agree to its inclusion in cost,

and

3). that the presumption contained in the last para of Director of Industries's note regarding the expression 'Other Terms of the Contract remaining unaltered"is correct.

Please acknowledge receipt.

I have etc.,

(S. C. Agarwal)
for Director, Administration & Co-ordination.

In US

Please see the letter from the Director, Administration and Coordination, Dept. of Industries and Supplies, New Delhi at p 13 above. At 'Z' on p 13 above is at variance with the conditions stipulated by this Govt in para-2 of Lr No 4091-2 D/44-14, dated 11-4-45. The remarks of DG be appended necessary before examining the question of acceptance of the terms now proposed by the Supply Dept. The drafts below are for approval.

13.6.46 13.6.46

Issued as Lr No 1437 D/46-8 Dt 14.6.46

Issued as Memo No 1437 D/46-9 Dt 14-6-46

7/648-W 13/6 Draft 1

Lr No 1437 Dt 4 6 & Del / 4 · 6 4 6

Plus
the 2
drafts
14 6 46

To

The Directr Dtd 6/21/6
Administration & Co-ordination
Directorate Gl. of Industries and Supplies,
New Delhi

—o—

Sub:- Acceptance of Tender No SY/38228/X 3/274 Dtd 10·7 44 for Flature Rebel Raw Silk from K.S.P., Kolhapur

—

your Lr No X·2/38228 dated 3·6·46

I am directed to acknowledge the receipt of your letter cited and to state, that a further Communication regarding the acceptance of the Conditions indicated therein will follow shortly.

Y. O.S.

13·6·46 13/6/46

D T O

Memo No 1437-D/46 Dtd 14 6 46

Sub: Industries - K.S.F, Kollegal - Acceptance of Tender No SY/3-8228/X-3/274 dated 10-7-44 for Filature Reeled Raw Silk

Ref: From the Dy., Administration and Coordination Directorate GI of Industries and Supplies New Delhi Lr No X-2/38228/ dated 3-6-46

A copy of the letter cited is Communica to the DGTE for early remarks.

To Dpty 14/6/46 13.6.46 13/6/46
The DGTE
(With a copy
of D13 (SF)

C.F. 32 (a).

Industries & Commerce Department

From (Name) A.Khaleeli Esq,I.C.S.,

Designation Director of Industries & Commerce,

Station Chepauk, Madras.

Received 6 AUG 1946 Registered

To SY-1278

The Secretary to Government, Development Department, Madras.

Enclosures :

No. 2212 D/44 dated 5th August 1946.

Sir,

Sub: Industries - Kollegal Silk Filature, Kollegal Acceptance of tender No.SY/38228/X-3/274 dated 10-7-44 for the filature reeled silk.

Ref: Government Memo No.1437 D/46-9 Dev. dated 14-6-1946.

The revised terms offered by the Director, Administration and Coor nation, Director-General of Industries and supplies, New Delhi may be accepted for the following reasons.

Item I. Depreciation

As there is no need to open a depreciation reserve fund, for Kollegal Silk Filature which has ceased to exist as an independent unit the Central Government's ~~letter~~ suggestion to include in the cost, the allowance for depreciation of assets, such allowance being determined on the written down value of the assets, may be accepted.

Item 2. Interest on capital. The Central Government need not be pressed

for the inclusion in cost, interest on capital, as they have ex[illegible]ed this item in the list of admissible elements of cost.

for Director of Industries & Commerce

S.B/5-8

17b/2/18

Lr.No.1437 Dt/46-1/2001 dt 8.46

OP-mail

To

The Secretary to the Govt of India
Directorate General of Supply
(Textiles Directorate)
New Delhi

28 Feb

Dd 1/19

Sub: Industries - Sericulture -
Acceptance of Tender
No SY/3.8228/X.3/274 dt
10.7.64 for filature reeled
raw silk from K.S.F. Kollegal

Ref: Your Lr.No.X.2/3.8.228 dt 3.64
In Continuation of ~~this~~
~~Govt's~~ Lr No 1437 D/46-1 dt 14.64
I am directed to ~~say~~ state that ~~his~~
Govt of Madras agree with the ~~Govt of India~~ suggestion

I wished
~~for~~ inclusion in the Cost, the allowances 12½
for depreciation of assets on the lines
suggested by the Govt of India in their above cited. They also
~~to delete~~ desire to include
to delete the item "interest on Capital" from the list of allowances in the actual manufacturing Costs. It is presumed however
that the Govt of India will have no objection
to include in the actual manufacturing Costs charges for the
supervision of the DGTE & his staff and leave and
pensionary contribution of the staff.

Rules will be circulated as soon as item 7 Cl. is finalised

Copy to DGTE
Copy to
H.C. Mathur
Dpd & sent with a copy
4/9 of pp 1, 2, 9 to
15 Cs

DO
13.8.46

HCM
13.8.46

P.N.: Please see DGTE's letter at pp 9-10 C/F
in reply to the Govt endt on p 2 C/F. The
Govt of India were asked to clarify the
position whether actual working Charges
covered "interest on Capital" and "depreciation
Charges etc" as proposed by this Govt in para 2

of the Letter at pp 61-63 of (Y). The Govt of India's reply will be found at p 63 of. The DGTE agrees with the Govt of India's proposal laid down for claiming depreciation charges. As regards interest on capital, the DGT considers that this need not be shown as such as item does not find a place in the list of admissible elements of cost. The DGTE's views may perhaps be accepted and India informed accordingly. The draft letter at pp 1-2 above for approval. Finance may see before issue.

44589 AD
D.O. No 1437 AD 46-12

12/8/46 13/8/46 15/8/46 Fin.

Fin (Tech B)

The notes from p 2 above (may be perused) and the draft letter at pp 1-2 above may be accepted and the file returned to Tech Dept (this dept need not press for the inclusion of the interest on capital as an item of cost, as the Govt of India object to it — cf para 3 of this dept's note on pp 14-15 N.F. and the remarks at 'A' on p 15 N.F. of letter No 4161 Dev dated 24.10.45 (Y)) C.i.s 20.8.46.

item 2 on p 1.

1/8/46

C.i.s 20 S.46. 22.8.46 Asst Sy

Dev Dept

Fin No 4458/D1 29/8/46

DHS

The draft letter at pp 1-2 above may now issue

Dev Cfo --- C.i.s: D1/46 23.8.46

23/8/46

Issued as Lr No 1437 ST/46-1 Dtd 26.8.46

No. SX-2/38228.

25.11.46

DEPARTMENT OF INDUSTRIES & SUPPLIES
DIRECTORATE GENERAL OF INDUSTRIES & SUPPLIES
DATED NEW DELHI, the 21 -11-46.

To

The Secretary to the Government of Madras,
Development Department,
Madras.

Sub:- A/Tender No. SY/38228/X-3/274 dated 10-7-44 for Filature Reeled Raw Silk Kollegal Silk Filatures, Collegal.

Sir,

With reference to your letter No. 1437D. 1/46-13 dated 26-8-46, I have the honour to request you that in order to enable this Department to decide the question of the nature of higher supervision of the Director of Industries and Commerce being included in the manufacturing costs of the silk a clear certificate should please be furnished to the effect that the reeling of raw silk was being done under the direct supervision of the Director Industries and Commerce, Madras.

H. Khan

(H. Khan)
Deputy Director(Supplies).
for Dy. Director General(Supplies).

Copy to:-
1. The Controller of Supply Accounts, New Delhi.
2. The J.F.A. for Transmission to A.G. Madras.

Endt No 90458 DI/46 - 1b/28.11.46

Reported for urgent remarks to the D.I & 6. Hqrs

~~to whether urgently which of the political~~
~~reports by the Govt of India may be furnished~~
~~herein~~.

27.11.46

27.11.46

27.11.46

To The D.I & 6
(with a copy/spl dtn
R.12 Nov 46.

Industries & Commerce Department

To:-

...Assistant ..., I.C.S., Director of Industries & Commerce, Madras.

The Secretary to Government, Development Department, Madras.

UNDER SECRETARY 9 - JAN 1947 DEVELOPMENT DEPT.

Lr. No. 2931-D1/47

Sir,

Sub:- Industries - Sericulture - Supply of mulberry leaf. SY/T1/38220/Ab/274 dated 10/7/46 for silk worm rearing - Silk from Kollegal Silk filature, Kollegal.

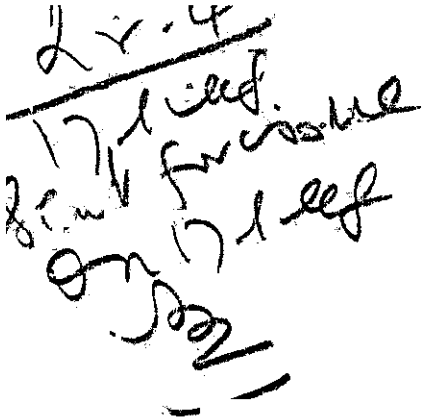
Ref:- Government Endorsement No. 5a58-D1/46-1. Dated 28/11/46.

As Government are aware the Kollegal Silk filature has been declared under the supervision of the Director of Industries and Commerce, the Assistant Director of Sericulture, Kollegal will supervise the working in the filature. However it is not possible for him to attend to the details of the working of the filature being at a distance of 70 miles from Kollegal. In this connection, I invite attention to G.O. No. 79 Finance dated 17/1/ of the Government of Travancore directing the Director of Industries and Commerce, Trivandrum to take such steps as may be necessary for the supply of mulberry leaf from the Government Sericultural Farms to the filature at Kollegal and for supervision, the expenditure being borne by the filature.

for Director of Industries & Commerce.

/1

mdi 8/1



Please issue 6v 19/1

2/7/1/48

Letter no. 90458 DI/46-4d 17-1-48 117

The Secretary to the Govt of India
Dept of Industries and Supply
New Delhi

Sir,

Subject Industries - Sericulture - Acceptance of Tender no. SY/TX/38228/X3/274 d 10-7-46 for filature reeled raw silk from Kollegal Silk Filatures, Kollegal.

Ref: Letter no. SX-2/38228 d 21.11.46 from the late dept of Industries and Supplies, Directorate General of Industries and Supplies, New Delhi

20.1.48

In reply to the letter cited above, I am directed to state that the reeling of silk was being done under the direct supervision of an officer directly subordinate to the D.I & C., and that therefore it is not possible to furnish a certificate to the effect that the work referred to above was being done under the direct supervision of the Director of

Industries and Commerce. The delay in replying is regretted.

15/1/48

17.1.48

To A.S.

Please see the letter from the Govt. of India at p/c and the remarks of the D.I&C. thereon at p 3c. India may perhaps be informed as at 'M' on p 3c. Subject to orders, a draft letter is submitted above for approval.

15/1/4

17.1.48

Copy to D I & C

Office of the Director of Industries and
Commerce, Chepauk, Madras 5/12-7-44

M.No.877 D/43

From

The Director of Industries
and Commerce,
Chepauk,
Madras.

To

The Secretary to Government,
Development Department,
Madras.

Sir,

Sub:- Industries - Sericulture - acceptance of tender
ST/IE/38878/K-3/274 dt/10-7-44 for supplying raw silk
from approved Silk Filatures, enclosed.

Ref:- Letter No.90466 DI/40-4 Dev. dt/17-1-45 from the
Government of India addressed to the Secretary
to the Government of India, Department of Industries
and Supply, New Delhi.

I request that Government may be pleased to move the Government of India for their concurrence to the inclusion of the charges on account of higher evaporation of the cocoons in the Sericultural Seasons, noted in the enclosure. The audit are also requisitioned for the settlement of accounts.

for Director of Industries and
Commerce, Madras.

15/14 RA/15.4.

b/26/4 Plains 27/4

Copy Letter No 43849 Dt 6-8-48 of 24448

To, The Deputy Director General (Supplies)
Directorate General of Industries and Supplies
New Delhi

Sir,

Sub: Industries - Sericulture - Acceptance of tender SY/TX/38228/X-3/274 of 10-7-44 for filature raw silk from Kollegal Silk Filatures, Kollegal

Ref (i) Mr Khan's Letter No SX-2/38228 of 21-11-4
(ii) My Letter No 90458 Dt/46-4 of 17-1-48.

I am directed to enquire when the conveyance of the Govt of India to the inclusion of the charges on account of higher supervision

of the Director of Industries and Commerce,
Madras in the manufacturing costs
may be expected

21/4/48

22.4.48

Copy to the DIOC.

RD 25544

27/5 Please 26.5.

Letter No 43849 Dt/48-2 Dt 26.5.48 123 E

To

The Deputy Director General
(Supplies)
Directorate General of Industries an
Supplies, New Delhi

Sir,

Sub: Industries - Sericulture - Acceptance
of tender SY/TX/38228/X-3/274 Dt
10-7-48 for filature raw silk
from Kollegal Silk Filatures, Kollegal

Ref: My letter No 43849 Dt/48-1 Dt 24-4-48

I am directed to enquire
when a reply to the letter
cited may be expected

25/5/48
(25-5-48)

26/5

RD 25648

Department of Industries and Commerce,

No.677-D/48. dated 18th June 1948.

D1

From
The Director of Industries
and Commerce,
Guindy, Madras.

To
The Secretary to Government,
Development Department,
Madras.

69134

Sir,

Sub:- Industries - Sericulture - Acceptancy of tender SY/YX/38228/X-3/274 dated 10-7-44 for filature reeled raw silk from Kollegal Silk Filature.

Ref:- This office letter No.677.D/48-4 dated 12-4-48.

I invite reference to the letter cited and request that I may be informed of the stage at which the matter stands at present.

For Director of Industries and Commerce.

4/19-6

Letter No 43849 DT/48-3 dt. 26-6-48 65/28/6

To the Deputy Director General
(Supplies)
Directorate General of Industries
and Supplies, New Delhi

Sub: Industries — Sericulture — Acceptance of tenders SY/TK/38228/K-3/274 dt 10.7.48 for filature viz 8 x 10 from Kollegal Silk Filatures, Kollegal

Ref: My letter No 43849 DT/48-1 dt 24-4-48 and 1/X3-48 reminder dt 26-5-48

I am directed to state that an early reply in the matter will be highly appreciated

Yours faithfully

Copy of the above letter dt 25.7.48 forwarded to the Director of Industries & Commerce, Madras for information.

No. SX-2/38228.

DIRECTORATE GENERAL OF INDUSTRIES & SUPPLIES.

New Delhi, the 11 June 1948.

74891

To

The Secretary to the Government,
Development, Department,
Madras.

Sub:- Industries - Sericulture - Acceptance of Tender No. ~~SX-2/~~ SY/38228/X3/274, dated 10.7.1944 for filature reeled raw silk from Kollegal Silk Filatures, Kollegal.

Sir,

I am directed to refer to your letter No. 90458 DI/46-4, dated the 17th January 1948 on the subject cited above and to convey the sanction of the Government of India to the inclusion, in the manufacturing cost, of the salary of the officer directly incharge of the supervision of the work in connection with this office Acceptance of Tender No. SY/TX-38228/X3/274, dated the 10th July 1944 for the supply of filature reeled raw silk from Kollegal Silk Filatures, Kollegal.

I am, etc.,

(C.L. Katial)
Director of Supplies. (TX. & Leathe

JUL 1948 80752-43

py to:-

The Deputy Accountant General (I.& S), New Delhi through Ministry of Finance (I.& C Division) with ref. to their ... o. No.a638, dated the 10th March 1948.

The Accountant General, Madras for information and necessary action.

Please 1122/ Ref No T42849-DI/48-5 22-7-48 DEV DEPT

Communicated to Madras

To Madras 10.7.48 CPL 10.7.48

Note 1 & 2 addd to (2). This Deptt may be

10.7.48 10.7.48

Finance (Accts B).

The Govt of India's reply on page 9 above relates to a letter sent by this Govt in August 1946. — See pages 109-110 CF of (a). The Silk Filatures are now owned by the Madras Govt. and it is not clear how the Govt of India's ruling on page 9 above will apply in the present context. The draft endorsement on page 9 above communicating the Govt of India's decision to the D.F.C. may be perused and the case returned to ...

Approved. I am of opinion that I have been taking action to accept in working out the cost

15.7.48.

15.7.48.

15.7.48.

SECRETARIAT ASSISTANT
6 JUL 1948
7894 6
DEPARTMENT

D.O.M. 5075 2 AIS
15-7-48.

T.O.A.S.

Please see Finance note

DEV DEPT

now under
Received 19/7/48

COP
21.7.48

No. CA.33.f.2 45/210. Madras the 3rd Aug. 1948.

FROM:-

THE ACCOUNTANT-GENERAL, MADRAS,

To The Assistant Secretary to the Government of Madras, Development Department, Fort St. George, Madras.

Subject :—

Subject: Industries-Sericulture-Acceptance of tender.No.SY/38228/X3/274 dated the 10th July 1944-for filature reele raw silk from Kollegal Silk Filature, Kollegal.

Reference:Letter No.SY.2/38228 dated the 1st July1948 from the Director of Supplies(Textiles & Leather)addressed to you, communicated to this office.

P1&C.F. RC.No.4161 (Q)

A copy of your letter No.90456/D1/46-44 dated the 17th January 1948 referred to in the letter of the Director of Supplies mentioned above may please be furnished to this office for reference.

for Examiner, Outside Audits

tmp/.

Memo No 86 204 dt 12/8 - 1 of 128

In C. Indents. Intimation - Acceptance of tender No 84/38428/x3/274 dt 6-7-44 for supply reeled raw silk from M/s RF Kalgaonkar

Ref from Rly Bd's No OA 33-6-21 (44-45)/210 dt 3-8-48.

A copy of Govt Rly Bd's No 90458 dt 16-4-48 CF 17-1-48 is enclosed for information desired

10 Aug 10.8.48

Copy 12.8.48

To the A.C with copy of Rly Bd's letter No 117-118 CF

14-8-48

FROM DEPARTMENT OF INDUSTRIES & COMMERCE. TO

133

The Director of Industries & Commerce, P.B.No.432, Madras.5.

The Secretary to Govt., Development Dept., Madras.

No.677.D.1/48 dated the 10th October 1949.

101738

Sir,

Sub Industries - Sericulture - Acceptance of tenders No.Sy/38229/X.3/274 dated 10.7.44 for filature reeled raw silk from the K.S.F. Kollegal. (Kollegal Silk Filatures)

Ref: Govt. Endt. No.43849/ Development dated 2[illegible].7.48.

Government have, in their letter No.1437.D.1/46-13 dated [illegible].8.48, addressed to the Secretary to the Govt. of India, Directorate General of Supply, Textile Directorate, New Delhi, sought for sanction of the Govt. of India for the inclusion in the manufacturing cost of silk, charges on account of higher supervision of the Director of Industries & Commerce and his staff and their leave and pension contribution. But Govt. of India have sanctioned in their letter No.Sx.2/38228 dated 11.6.48, the inclusion of only the salary of the officer directly in charge of supervision of the work.

What the Government of India have sanctioned now is already an admissble element of cost. Item 7 of the list of elements of cost forwarded with Govt. of India's letter No.Sy/38227/X.3 dated 25/10/44 provides for the inclusion of the "Salaries etc. of Supervisory, Clerical and Office Staff including provident fund contribution and such other perquisites as have been habitually granted by contract." The salary of the officer in charge directly of the Supervision of work could obviously come under this item and no special sanction of Govt. of India is necessary for inclusion of the same in working out the cost of silk. What we wanted the Govt. of India to agree to include, is the charges on account of higher supervision of the Director of Industries & Commerce and his staff (at Madras) and their leave and pension contribution. It is considered that Govt. of India should agree to debit a percentage of the pay including leave and pension contribution etc. of the Director of Industries & Commerce, and his staff at Madras. I suggest that the matter may therefore be taken up with the Govt. of India and their orders obtained. If Govt. however consider, that the question of the higher supervision charges need not be pressed for now, the Govt. of India may at least be asked to agree to the inclusion of leave salary and pension contribution of the officer directly incharge of the supervision of the work. The Accountant General, suggests that this should be done and a copy of his letter No.OA.33f.21/44-45/Vol.II/315 dated 31st August 1949, is enclosed.

12.10.

For Director of Industries & Commerce.

Copy to the Accountant General, with reference to his letter No.OA.33F-21/44-45/VolII/315 dated 31.8.49.
Copy to the Sericultural Expert, Govt. Silk Filatures, Kollegal.

Department of Industries & Commerce.
P.B.No.438, Madras.5.

Copy of letter No.OA.33f.21/44-45/Vol.II/315 dated 31st August 1949, from the Accountant General, Madras addressed to The Director of Agriculture Industries & Commerce, Madras.

Sub: Kollegal Silk Filature - Kollegal - Reeled Raw Silk.

Ref: Your No.677-D.1/48 dated 14th July 1949.

Government of Madras have in their letter No.1437.D.1/46-13 dated 26th August 1946 sought for the sanction of the Government of India for the inclusion in the manufacturing cost of silk, charges on account of supervision of the Director of Industries & Commerce and his staff and leave and pension contribution. But Government of India have sanctioned in their letter dated 1/7/48 inclusion of only the salary of the officer directly in charge of supervision of the work and not leave and pension contribution.

The matter may therefore, be taken up with the Madras Government and specific orders of the Government of India, obtained for the inclusion of leave salary and pension contribution as well.

/True Copy/

For Director of Industries & Commerce.

Pl. cancel 103
dt 29-11. 30/11.

Lr no 101738 DI/46 — 28, 29-11-48.

Recd on 30/11/48 a.m. TO, SP&W 1/12

The Director of Supplies
Directorate General of Industries & Supplies
New Delhi

Sir,

Sub: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from Kollegal Silk Filatures, Kollegal in 1944.

Ref: Your letter No SX - 2/38228 dt 1-7-48.

In this Dept letter No 11437 DI/46-13 dt 26-8-46, addressed to the Secretary to the Govt of India, Directorate General of Supplies (Textiles Directorate) New Delhi the sanction of the Govt of India was requested for the inclusion in the manufacturing cost of silk, charges on account of higher supervision charges of the DDTC and his staff at Madras and their leave and pension contribution. Point in the letter cited above sanction was conveyed only for the inclusion of the salary of the officer directly in charge of the supervision of the work. In this connection I am directed to invite attention to the note from the DDTC, Madras forwarded with this Dept letter No 11437 D/46-5 dt 7-3-46 and to urge that the higher supervision charges mentioned above should also be included in the manufacturing cost. The sanction conveyed in the letter cited above is already an admissible item of cost under item 7 of the list of elements of cost forwarded with the Govt of India letter No SY/38227/X3 dt 25-10-44, which provide

for the inclusion of the "Salaries etc of Supervising clerical and office staff including provident fund contributions etc" If however the Govt of India are not inclined to agree to the inclusion of the higher supervision charges as suggested above I am to request that their sanction ~~for~~ may be obtained at least for the inclusion of the leave salary and pension contribution of the Officer in charge of the supervision of the work and communicated to this Govt at a very early date.

Y. F.

15.11.44

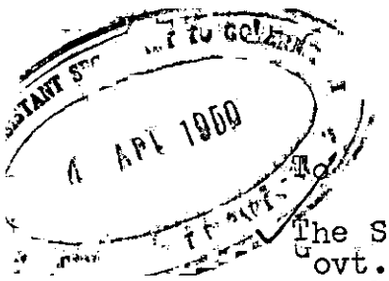
16/11/44

9.11.44

19/11/44
2712

Copy to the DD
R. ~~15.12.44~~
30.12.44

DIRECTORATE GENERAL OF INDUSTRIES AND SUPPLIES
FINALISATION DIRECTORATE
SHAHJEHAN ROAD, NEW DELHI.



No.FZ/TX/38228.

Dated; the 30th March' 50

DI 31

The Secretary to the
Govt. of Madras,
Development Departments,
Fort St., George,
Madras.

20915

Dear Sir,

Sub:- Industries- Sericulture- Acceptance of Tender for filature reeled raw silk from Kollegat Silk Fillatures, Kollegal in 1944.

I am directed to refer to your letter No. 101738 DI/49-4 dated 14.2.50. on the subject cited above and to state that the sanction of the Govt. of India to the inclusion in the manufacturing cost, of the salary of the officer directly incharge of the supervision of the work in connection with this office Acceptance of Tender No.SY/TX-38228/X-3/274 dated 10.7.44 for the supply of filature reeled Kollegal, was already communicated to you vide this office letter No.SX/2/38228 dated 1.7.48. Now I am to convey that after due consideration of the matter Govt. of India has further agreed to sanction the inclusion in the manufacturing cost the leave salary and pension contribution of that particular officer directly concerned with the supervision work of Kollegal Silk Filature in respect of the order quoted above provided the officer was then entitled to pension benefits under the Madras Govt. Service Rules.

Yours faithfully,

(J.G.Kumaramangalam)
Deputy Director of Supplies
for Director General (I. & S

Copy to:-

1. The Deputy Accountant General, I&S., New Delhi.

   Through Ministry of Finance (I&C DIVN) with reference to their u.o. No.2156 dated 23.3.50.

2. The Accountant General, Madras.
   for information and necessary action.

Endorsement No/D 17 38 DI/49-8 dated 19-4-50
Copy communicated to the DS & C. He is requested to report to Govt. in Consultation with the A.G. Madras the adjustment made in the Leave rates in this Sanction

Ev. issued
DS
Ref file
4/20/50

DS 28/4/50 10.4.50

141

Department of Industries & Commerce

No. 677-D1/48, dated 7th December 1950.

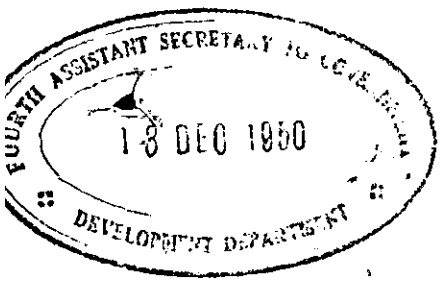
From
Sri M.T. Raju, Bar-at-Law, I.C.S.,
Director of Industries & Commerce,
Madras-6

126117

TO
The Secretary to Government,
Development Department,
Madras.

Sir.

Sub: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from Kollegal Silk Filatures in 1944-



p.23 Ref: Government memo No. 101728-M1/49-14, dated 16th Novbr. 1950.
Refile below

The Accountant General, Madras, who was addressed in the matter has now raised the question of the higher supervision charges of the Directors of Industries & Commerce and his staff included in the cost statements, and has desired that as this item of expenditure has not been admitted by the Government of India, the cost statements should be revised and the excess debit passed on to the Government of India. I have called for details of the charges included in the cost statements from the Sericultural Expert with a view to examine the position further. I shall submit my final reply to Government after hearing from him.

K 1

V. Venkatapathi
12-12-50

for Director of Industries & Commerce.

MS/9/12/ Dev Dept

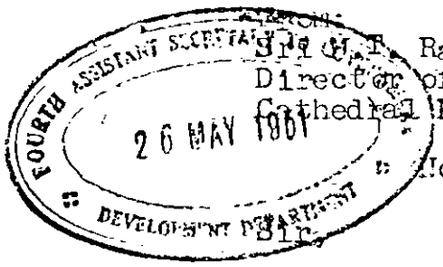
Tobs.
The final reply from the Dtor may be awaited. (R.D. 10.1.51)

14.12.50
18/12/50

E.R 17.1.51

By Special Messenger.

Department of Industries and Commerce.



From:
Sri C.P. Raju Bar-at-Law,I.C.S.,
Director of Industries and Commerce,
Cathedral P.O., Madras.6.

To:
TheSecretary to Government,
Development Department,
Forst St. George, Madras.9.

Lr. No. 677-D1/48 dated 25th May, 1951.

Sir,

58776

Sub: INDUSTRIES- Sericulture- Acceptance of tender for filature reeled raw silk- from the Kollegal Silk filatures, Kollegal.

Ref: Government Memo.No.101738-D1/49-16(Devl) dated 17-5-51.

In continuation of my letter No.677 D1/48 dated 7-12-50, I submit that the Sericultural Expert, has since reported that the sum of Rs. 3085/- has been included in the cost Statements towards direction charges for the period from 24-3-44 to 31-8-45 when supplies of silk were effected under the contract to the Government of India and recovered from the Government of India. I therefore request that Government may be pleased to authorise the Accountant-General to adjust the above sum to the credit of the Government of India.

2. I wish to point out that the Government memo. cited above for which I was asked to submit my reply before 25-5-1951 was received in this office on 23-5-1951 only although it was dated 17-5-1951.

for Director of Industries and Commerce

MNG/25.5.

Copy to the Accountant-General with reference to the letter No. OA-33f-21/44-45/464 dated 10.11.50.

Copy to the Sericultural Expert, Kollegal.

Memo: 101738 MI/49-B d. 15-6-57

P/Issue Dtee 16/7 AJS 16.7

Sub: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from Kollegal Silk Filatures, Kollegal in 1944.

p. 11 above

Ref: From the Dte. No. 677 D1/48 d. 25-5-57 & copy sent to the ~~Dtee~~ A.Gr. with ref. to his letter G.A 33 f - 21/44-45/1464 d. 10-12-56

~~25/7 Recd~~

×

The A. Gr. is requested to state whether the sum of Rs. 3085/3/0 which has been included in the Cost Statements towards direction Charges of the Dte. and his staff for the period from 24-3-44 to 31-8-45 when supplies of Silk were effected under Contract to the Govt. of India and recovered from Govt. of India, has actually been adjusted to the credit of this Govt. previously.

To The A. Gr.

Dtee 15.6.57

15/6/57

15/6/57

NR 15.7.57.
FR 16.7.57.
NR 20.7.57.

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS.

Fort St. George, August 19 51

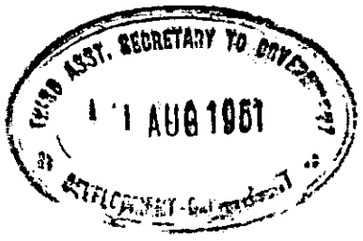
No. OA.33f/21/49-50/282

Enclosures.

Dev 88617 M.I 11-8-51

From

The Accountant General,
Madras.



To

The Director of Industries & Commerce,
Madras.

Sub: Industries - Sericulture - Acceptance of tender for ~~plain~~ reeled raw silk from Kollegal supplied to the Government of India, in 1944 Adjustment of charges.

Ref: Government Memorandum No.101738-M.I/49-18 (Dev. Department) dated 15th June 1951.

Sir,

In enclosing a copy of the Government memorandum cited above, I have to state that the sum of Rs.3085/3/0 under consideration has not been shown as a distinct item in the Statement sent with letter No.1206/B/45 dated 8th August 1946 of the Manager, Kollegal Silk Filatures, Kollegal, for the claim of Rs.31742/- towards ~~rewinding~~ losses in respect of supply of silk against acceptance of Tender No.SC.X-7/65/183 dated 27th July 1943 which was adjusted in this office accounts for December 1947 (vide this office endorsement No.OA.33f/21/44-45/425 dated 17th January 1948). Particulars for the amount in which the above sum is included may kindly be furnished.

If, however, the sum of Rs.3085/3/0 relates to the supply of silk against acceptance of tender No.S7.1. 38229/X-3/274 dated 10th July 1944, particulars of the statement in which the claim was made and the number and date of your letter in which the statement was sent may kindly be intimated.

Yours faithfully,

sd/-

(K. Subrahmanian).
Assistant Examiner.

NCN.
7/8.

No.OA.33f.24/44-50/283 dated 9 August 1951.

Copy forwarded to the Assistant Secretary to the Government of Madras, Development Department, Fort St. George, Madras-9, for information. A final bill will be sent on receipt of the particulars from the Director of Industries and Commerce.

To Be Dev(MI)Dept

N.R. 18.9.57

17.8.57

17857

Assistant Examiner.

The Accountant General, Madras.	The Asst. Secretary to the Govt. of Madras Development Department, Fort St. George, Madras.

No. ...Sel-61/44-45/791. Station. Fort St. George 108256 Date. 23-9-52.

UNDER SECRETARY 25 SEP 1952 DEVELOPMENT DEPARTMENT

Subject: ~~Industries—Sericulture~~—Acceptance tenders for filature reeled raw silk from Kollegal Silk Filatures, Kollegal in 1944.

...

With reference to Government Memorandum No. 101783 (MI)/49-18 dated 15-6-51 on the subject indicated above, and in continuation of this office letter ...Conl.I.274 dated 13-9-52, I have to state that Direction charges of the Director of Industries and Commerce and his staff for the period from 24-3-44 to 31-3-45 on supplies of silk were effected under contract to the Government of India and recovered from Government of India, worked out to Rs.3417-3-0 instead of 3035-3-0 referred to in the Govt.Memo.cited. The above position has been confirmed by the Director of Industries and Commerce, Madras in his letter No.677-Sr/48 dated 12-3-52. The adjustment in respect of the total sum of Rs.3417-3-0 referred to above has been made to the credit of Government of India in the accounts for 1944-45 and 1945-46.

Yours faithfully,

Assistant Examiner,
Outside Audit Department.

Tsv/22.9.

Issue
Advice
24/1

151 Dev. (G) Dept.

Memorandum No.101738 G/49-29 dt. 24.10.51

Sub:- Industries - Sericulture - Acceptance of tende for filature reeled raw silk from Kollegal Silk Filatures, Kollegal in 1944 — Silk Institu Govt of India for the period 24.3.44 to 31-8-45. Adjustm

Ref:- From the D.I.& C. No.677 DI/48, dt. 25-5-51?
From the AG. No. O.A 33 f-21/44-45/291 dt 23.9.5

The A.G., Madras is requested to adjust to the credit of the Govt. of India a sum of Rs. 3,417-3-0 (Rupees Three thousand four hundred and seventeen and annas three only) which has been included in the cost statements towards direction charges of the D.I.& C.and his staff for the period from 24-3-44 to 31-8-45 when supplies of silk were effected under contract to the Govt. of India and recovered from the Govt. of India during 1944-45 and 1945-46.

To
The A.G. Mad Fin
The D.I.& C. with copy of DI/48
The Fin. Deptt.

4/1/52

Sub: Industries - Kollegal Silk Filatures - Supply of Yarn in 1944 - Purchase order - Acceptance of Tender.

Ref: From the Chief Controller of Purchase (Supply) No SY/382 [illegible]/X-3/274 d 10.7.44.

[illegible] from the C.C.P.(Supply) No SY/38227/X-3 d 13.7.

To Addl US

Please see the purchase order sale applying regarding the supply of Reelers from the Kollegal Silk Filatures dtd 1944 and the Schedule to the purchase order at Pn 11-13 of the D.O. at Pn 15-1 ante; this D.O. has sponsored at the purchase and negotiations in accordance with the decisions reached in May 1944 regarding supplies of silk from the Kollegal Silk Filatures and also suggested that this Schedule should be revised. A draft covering the D.O. may be communicated to the C.C.P.(Supply) and Brabourne may be asked to recommend the Schedule in the light of the objections of the Silk Mills to orders; a draft letter from the C.C.P.(Supply) New Delhi is submitted for approval:

DM 7/44 [illegible] 24091/2 D/44-1 d 22.7.44]

[From C.C.P.(Supply), No. SY/38228/X-3 d 21/17.7.44]

To Addl US

- Please see C.C.P.(Supply)'s letter on p21 ante. A draft endt. on p21 ante and a draft letter below to the C.C.P. a submitted for approval:

7.44 [Issued as Endt No 24091/2 D/44-2 d 26.7.44] p21 ante

[Issued as No. 24091/2D/44-3 d 26.7.44] p21 ante

[From the C.C.P.(Supply) SY/38228/X-3 d 7.8.44]

To Addl US

(Please see letter on p27 ante)

A draft letter to C.C.P.(Supply) below, and a draft endt. a submitted for approval

16/8 AS [illegible] 15/8

[Issued as Letter no. 40912D/44-4d 15.8.44] ~~to~~ p 29 of
[" " Endt 40912D/44-5d 15.8.44]

To Addl. D.S.

Please see the D.I.&C's letter at p35 of. Objections have already been raised and represented to the Chief Controller of Purchase (Supply) whose reply on the points is now awaited. As for the terms offered to Mysore & Mr. Targett, a letter has already been addressed to Mr. Targett, but no reply has so far been received. Subject to orders, a draft reminder to Mr Targett is submitted below for approval.

(This question has been referred to the D. G. of Supplies (Mr Targett). No reply has been received yet from him. The Controller of Supplies, Madras had written to another concern in Mr Targett's absence to discuss with Mr Seeley, Central Assistant Supplies, re: Silk Expansion Scheme at Bangalore during October 44. Presumably this is one of the subjects. Particulars of the subjects for discussion have been called for from the Controller of Supplies. No action seems necessary on this file till the ensuing conference at Bangalore. For orders.

Asst
2.10.44

Draft to the C.C.

To Addl DS

Please ... letter issued at pp 19-20 of and the reply thereto (received from the C.C.P (Supply), New Delhi) at p. 43 of.

The explanatory Notes to the acceptance of tender which was not acceptable to the D.I.&C and the Govt. (vide Pt. 30 of) several others: (i) the actual cost of Cocoons, which the D.I.&C wanted, will not be allowed but a basis will be adopted.

and (ii) the actual cost of production means and the actual profit of reliable silk after duly due credit for various provisions in the process. Reference is invited to the list comprising the elements of cost, at pp 42-43 ante. Before accepting this revised terms it seems desirable to obtain D.Z.Dc's remarks. Subject to orders advised Draft is submitted at p 43 ante for approval.

S L
6/11/44

VAR
4/11/4

4/11 1 Issued as 2nd Addl. no 40911 D/44-8 d 9.11.44
Cr. 7/14 [from the C.C.P (Supply), S29/38227/X3 d 23/10/44]

Dev. Dept

To Addl. 2.S.

At p 53 ante: A Draft letter of the C.C.P. (Supply) is submitted below for approval.

L
6/11/44

14/11/44
53 ante [Issued as Letter no. 40912 D/44-8 d 11.11.44]
5 [from the D.92 C, D.O. no. 2812 D/44 d. 17-1-45]
Addl. 2.S.

This file deals with the acceptance by the Govt of Madras of the terms of the Tender for the supply of Silk from the Kollegal Silk Farms, Kollegal to the Dept of Supply during the year 1944. The terms of the Tender as finally corrected are at pp 11-13 ante. The remarks of the D.Z.Dc are at pp 55-57 ante. The D.Z.Dc bases his case for the fixation of the price of silk on the discussions at the Conference convened in May 1944. The following are the main points of difference between the D.Z.Dc and the Dept of Supply —

(i) The supply of silk from the Kollegal Silk Farms a continuing contract between the provincial & central Govts as a part of the Silk Expansion &

(ii) Basis for the fixation of price of silk

as indicated in Note 2 at M on p 11 of and not as an all in cost basis with a profit of Rs 1/6 per lb as contended by the D/Sc; a

(iii) The ratio of 18:1 rendition basis for the cost of cocoons in the price make up at M on p 11 of is not realistic and should be revised to 22:1 rendition.

* M on p 11 of D
(accdg to D/Sc) para 4 p 56;

Item (i) on p 3 above: The contention of the Dept of Supply on this point is untenable as there is nothing anywhere on record to indicate that this Govt. accepted this contention. in support of this point.

2 on p 41 of

The Kollegal Silk Filatures did entered into a Contract with the Dept of Supply for the supply of a definite quantity of Silk. As it could not properly execute the Contract, the Govt of Madras stepped in and took over the private concern under the D/I Rules to speed up production of Silk as an aid to War effort. The Govt of Madras are in the position of a private contractor in all for as this concern is concerned and as distinguished from their position in respect* of the Govt Silk Filatures. It is thus open to the Govt of Madras to refuse to sell the quantity of Silk if no fair price is settled by negotiation. This position might be explained to the Govt of India to clarify the future dealings. No other action seems called for on this point in respect of the present tender.

X on p 9 of (

pp 15-16 of (

* agent.

Item (ii) on p 3 above: In regard to this point, the D/Sc holds that it was agreed at the Conference that the Kollegal Silk Filatures should be paid the actual cost of production plus Rs 1/6 per lb of Silk. The Govt of India hold that the actual cost of production would signify in regard to the supply of Silk only the manufacturing charges and not the

para 12, p 29 of (
& para 1, p 53 of

p. 41 of

actual cost of cocoons and other manufacturing charges.

para 3, p 56 of — The Dte cites item M on p 40 of in support of his case and states that the Kollegal Silk Filatures would thereby incur a loss — Vide the notes of the Manager of the Kollegal Silk Filatures at pp 36-37 of. The adoption of 18:1 renditta in the price make up was adopted by India perhaps on the basis of their experience in Kashmir. In practice it does not appear to hold good in the Kollegal area. The actual basis obtaining appears to be 22:1 renditta. There appears however to be a fallacy in the working statement at p 39 of, regarding loss. The Kollegal Silk Filatures appears to pay for the cocoons at an average price instead of on the actual renditta or silk content revealed. The latter would appear to offer practical difficulties and hence the adoption of the average of the consignment loss. In order to avoid loss, the 18:1 basis in the 'price formula' should be revised. This point has to be agreed to by the Central Govt who should be officially addressed for concurrence.

M on p 11 of

II. at pp 36-37 of

p 26 of

Col 4 on p 39 of

Since is notified according to renditta Vide notice II on p 26 of (K)

Vide para 4, p 53-56 of

As regards all in cost, the Dte's contention appears unreasonable in view of the Govt of India's uniform policy regarding the price formula distinguishing between the cost of cocoons on the basis of 18:1 renditta and the manufacturing charges including cost of reeling and providing ...

para 3, p 56 of

Cf Z on p 11 of (A)

I M on p 25 of (C)

an ultimate profit of Rs 1/6 per lb.
Provided the Central Govt would concur in the revision of the 18:1 rendita basis to 22:1 rendita, there will be no point in stressing the D-I-E's case for an all-in cost basis for price fixation. // For orders whether the Govt of India will be addressed as indicated in the foregoing paragraph.

The usual appointment as to price — Vide p. 1 S. 51

Item (iii) on p 4 above: The reasonableness of, and the need for, the suggestion has already been examined above in regard to item (ii) on p 3 above. No separate action will be called for, in view of the proposal at B above

The case may perhaps be seen by the Dept also for remarks before India H is addressed as indicated above.

It would seem that the question can be settled if India will agree to a 22:1 rendita. The need for this may be explained to them; and an indication of the position of this Govt in the matter viz. is stated as at "X" on P 4 above — which appears to be the correct position — may help to persuade them to accept this revised rendita. For may see.

Sd/-
27.1.45

S
29/1/45
30/1

The Govt of India are fumbling when they argue that 'Cost of production' is the same thing as 'Cost of living'. That the argument should have been brought forward

in the face of their own historical figures of which includes — and rightly — the cost of raw materials as one of the items entering into the cost of production is surprising. It would have been more prudent if instead of trying to justify the unjustifiable that is clearly an untenable position the Govt of India had admitted that their efforts to obtain lower rates of exchange had misfired and had failed to convey a meaning different from that which it was their intention to convey.

The Govt of Madras have never accepted the position that there was a continuing contract with the Govt of India for the supply of silk at rates on the terms agreed in 1942. It is not — and has never been — our intention to obstruct or hinder the efforts on the contrary. But I see no reason why we should lend ourselves in any way to a gesture which is demonstrably unacceptable. Either the Govt of India should agree to a 22:1 rendita or when calculating the cost of cocoons or they should agree to the alternative proposal put forward by the D.S. namely 'price which will cover cost of production (including cost of cocoons) plus a profit of As 1/6 per lb.

The Govt of India are not entitled to say that credit should be given extra for the value of waste silk. Any profit may be conceded.

[illegible] 45

Dy. (Accts.B)

Dev 2.0.
409/2 D/44-12
6.2.45

ASSISTANT SECRETARY
6-FEB 1945
DEPARTMENT

The file deals with the acceptance by the Madras Govt. of the terms in the tender for the supply of silk from the Kollegal Silk Filatures, Kollegal, to the Dept. of Supply during the year 1944. The Devt. Dept's summarising note fro the middle of page 3 above may be perused..

2. The formula for the fixation of price is mentioned in N.B.2 at page 11, C.F., viz.,

(i) the controlled cost of cocoons, 18 lbs of which will reel one lb of silk, plus

(ii) the average actual cost of reeling, less credit for

624 Accts.
Dy. no. 11-F

value of waste produced, plus

(iii) a fixed profit of Rs 1-6-0 per lb.

As regards the fixed profit in item (iii), the D.I.C. has already agreed to the rate of Rs 1-6-0 per lb. provided it is added to the actual cost of production including cost of cocoons. No remarks are called for on this item, & other items are settled satisfactorily.

3. Item (ii) - Average actual cost of reeling less credit for bye-products. The list of elements of cost which enter into the cost of reeling is given in Section I on pages 43-44 which includes among others cost of all raw materials, manufacturing costs, wages and salaries of all staff including supervisory and office staff and their Provident Fund and such other perquisites as are habitually allowed (leave and pension contribution so far as the regular Govt. servants are concerned), reasonable maintenance and repair charges of staff quarters, motor vehicles etc. which are not of a capital nature, insurance and all incidentals and ~~medical~~ midwifery charges.

The list does not include ~~specifically~~ interest on working capital and interest and depreciation of plant and machinery and buildings. These are normal items which should be included in the cost of production. Item (d) of the excluded items on top of page 45 C.F. says that rents, rates and taxes, insurance or depreciation charges in respect of lands, buildings, plant and other property which is not used should be excluded from the cost of production. It is not clear whether the charges referred to above in respect of plant and machinery etc. in use will be included in the cost of production. The list does not otherwise call for any special remarks.

As regards credit for waste products the D.I.C. was not at first prepared to allow such credit and he argued that the question of the value of silk waste never entered into the picture at the conference at Bangalore. But apparently as the position has since been clarified, he considers that this matter is not of much consequence and does not wish to press it further The Development Dept. do not also consider this stipulation of the Supply Dept. unreasonable. If the price to be fixed is

based on ~~the basis of~~ all-in-cost plus Rs 1-6-0 per lb., ~~or in the alternative at the 22:1 rendita basis plus Rs 1-6-0 per lb as suggested by Development,~~ the stipulation about sales of waste products being deducted from cost may be agreed to.

4. The question then ~~accrues~~ really is on item (1) viz. ~~that~~ the controlled cost of cocoons - 18 lbs. of which will reel one lb. of silk. According to the figures on page 39 C.F., actually, the quantity of cocoons required for 1 lb. of silk has varied from 24.4 to 17.5 from ~~month to~~ month or an average of 19:1 lbs. and that on the 18:1 rendita basis there will be loss of Rs 4-8-0 per lb. of silk. It has been considered that the very minimum rendita which would be required to ensure Madras against loss would be 22:1 (i.e. 22 lbs. of cocoons to produce 1 lb. of silk). The figures on page 39 C.F. appear t Development to contain a fallacy regarding loss. What they mean presumably is that the average price noted in col.(4) or page 39 C.F. is on an assumed rendita basis and is generally high as compared with the actual contents of silk revealed.

Taking however these figures for present purposes the 22:1 rendita may be expected to give the following result:-

'Actual' cost of cocoons utilized to produce 1 lb. of silk 1-3-6 x 19	22-15-6
Amount that will be paid to this Govt on the basis of 22:1 at the controlled basic price of standard quality cocoons. 1-0-5 x 22	22- 9-2

This assumes that the controlled average price of Rs 1-0-5 per lb. on 18:1 rendita basis will apply to 22:1 rendita also. Ev then there will be a loss, but the proportion is much nearer the cost. Development consider that the Govt. of India shoul agree to the 22:1 rendita basis in calculating the cost of cocoons (plus Rs 1-6-0 per lb.) or to the alternative of 'pric which will cover cost of production (including cost of cocoon plus a profit of Rs 1-6-0 per lb.

5. According to the terms of tender, the accounts of the Filature are to be audited by the A.G. and are also open to inspection by the Cost Accounts Officer of the Govt. of India It is not apparent why the Supply Dept. ~~could not provide for~~ should not accept the basis of the actual price paid for cocoons

many lbs. of cocoon for one lb. of silk. Apparently their contract with Mysore and other factories are on this basis.

5 If there will be certainty that the proposed basis of 22:1 rendita will cover all items of the cost of production (direct and indirect, including interest on capital and depreciation on the plant and machinery) without affecting the margin of Rs 1-6-0 per lb. this Department may agree to the proposal. (The Manager has stated that he understood the Mysore Filatures to have asked for a ~~basis of~~ 21:1 rendita basis.)

If there will be no such certainty, the alternative of cost of production plus Rs 1-6-0 per lb. profit will be a better and fairer arrangement. For this purpose a formula as indicated below may be adopted

This seems preferable. DWD

(a) actual price paid for cocoons during a period of six months - viz the account settlement period; plus Nmp 12 C.F.

(b) actual manufacturing costs during the period which will include all the items mentioned in Section I on pages 43-44 C.F. together with interest at 4½% on capital, and depreciation etc. charges on plant, machinery, buildings, charges for the higher supervision of the D.I.C. and his staff, leave & pensionary contr. of staff &

A

*: These can be calculated on the normal life of the plant.

11.2.45 DWD

(c) a profit margin of Rs 1-6-0 per lb.

After all the quantity of silk produced during the 6 months January to June, 1944 is 17,828 lbs. If the above cost of production basis is adopted the Supply Dept. will be paying this Government towards profit a sum of Rs 24,000 on silk valued at (roughly Rs 20 per lb.) Rs 3.93 lakhs or Rs 4 lakhs - which comes to about 6%. The basis will not be a fictitious one and there will be no room under this basis for concealed profits. ∠ of portion P on p. 36 CF

If the cost of production plus Rs 1-6-0 per lb. basis is to be pursued as the better alternative, the D.I.C. may be requested to draw up a detailed list of the elements of cost on the basis of (a) to (c) above before the Govt. of India are addressed.

NS 10-2-45

It appears fair and the Supply Dept should pay for silk, based on the actual cost of production & allow a margin of profit. The actual price paid for cocoons, the various manufacturing charges etc referred to in item (a) above need clarif

DTD

should be allowed. There appears to be nothing unreasonable in this, and the usual methods for ~~deducting~~ calculating production cost should be followed.

As pointed out by the Dept. Dept, this Govt are not bound to supply the ~~raw~~ silk produced from the Kollegal Silk filatures to the Govt of India. There is great demand for silk and this Govt can no doubt sell silk in the market with a fair margin of profit. The Govt of India should not take undue advantage of our intention to help them in connection with war effort. 11/2/45 I agree. AI may see. DWD 11.2.45. Dept.

Transmitted herewith 1 Book Envelope containing Files mentioned in the Margin

7 in No 6½ 9½ Bookbinder 12-2-45

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
12 FEB 1945
DEVELOPMENT DEPARTMENT

Dev. Dept

To Addl. 2.5

(Notes from pp 7–11 above)

~~1~~ These notes of this department at pp 3-7 give information about the case dealt with in this file. ~~Discussions on the supply of Silk between Dept of Supply and the Kollegal Silk filatures~~ The department ~~military~~ concerned ~~their~~ this tender should ensure ~~any~~ ~~profit~~ ~~this~~ ~~Silk~~ filatures ~~concerns~~ ~~loss~~ in its supply ~~of~~ ~~silk~~ to ~~the~~ Govt of India. ~~It would be~~ ~~that~~ the Govt of India should review the ~~present~~ and agree to ~~pay~~ ~~for~~ ~~silk~~ on the basis of 22:1 ~~and~~ ~~results~~ instead of ~~the~~ ~~present~~ results as at present and that they should pay a price which would cover the cost of production including cost of Co coons for silk as proposed by Rs 1/6 per lb.

that the principle of ~~sharing~~ ~~amount~~ should be ~~reproduced~~ as ~~and~~

that the position taken by the Govt of India regarding abatement in price on account of bills waste may be conceded.

In offering their remarks, the Dy. Director have agreed to items (iii) & (iv). They also state that the X modified & new price formula suggested in item (iii) above might be adopted if it will cover all cost of production such as have specified at X on p. 10 above or in the alternative, the payment of cost of production plus a profit of Rs. 1/6 per lb. should be insisted upon as a preferable one.

In suggesting the second course, they have formulated a tentative 'price make up' for adoption. The following further comments seem called for on the above remarks.

It is not certain that the 22:1 Rendita of X on p. 11 of bill basis in the formula in Note 2 at p. 11 of bill ensure against loss so long as the disparity exists in the rendita actually realised and the rendita for on which the cocoons are paid for on a uniform test, as seen from the statement at p. 39 of. It may be seen from the table in col. 4 at p. 39 of that according to the average price paid for cocoons, the rendita as per contracted price should be in the region of 15 or 16. In actuals practical dealings with Silk Filatures has been found Rendita Silk and average rendita of 19 or above. Vide col. 7 at p. 39 of. This wide difference is bound to reflect in the cost of production and hence price on this basis of rendita will only be fictitious so long as this difference between rendita value of cocoons paid for and of silk reeled are not approximately equal. The Bank of India recently noticed such a difference in this case of the Rat Silk Filatures also and have been perturbed at the state of affairs. The wide difference in rendita in the case now also either reveals bad valuation or defective administration

cocoons will be paid price in accordance with the rendita for silk to be reeled with regard to quality of cocoons Command

Vide l. of bel
D. Dir's remarks
in box call for

machinery in the factory. If this difference is not checked and brought within admissible limits, of say 2 pairs, the Contractor is liable to manipulate ~~[illegible]~~ on the part of unscrupulous workers working in loss to the factory. As the usual test in purchasing cocoons has not been found to be satisfactory in practice, it would seem preferable to insist on the Govt of India agreeing to actual cost of production (including cost of cocoons) plus a profit of Rs 1/6 per lb. It is however doubtful that they will agree to this course on the ground that it will give scope for concealed profits. But as the accounts are open to inspection by officers of the Dept of Supply and also subject to audit by the A.G. Madras, the fear of concealed profits will not be real. It is therefore for consideration (i) whether in the light of the foregoing remarks, this Govt need persist for a rendita basis

~~[illegible]~~ by the D.S.C. or

(ii) whether the Govt of India may be asked to pay for silk on the cost of production plus profit of Rs 1/6 per lb, without regard to any price based on rendita.

The allowance claimed in respect of silk waste may be considered in arriving at the cost of production and it may also be pointed out in the letter to India ~~forwarded~~ forwards.

~~forwarded. A draft letter to India will be forwarded before circulation after orders are passed on X above.~~

As regards the suggestion of Mr Watt Z on p 10 above, it is submitted that the adoption of this course will be unnecessary in view of the conditions of pp 43-45 cf (which is common to all contracts with Supply Dept and may not be varied easily). The D.S.C. can adopt, in arriving at the cost of production, the method which he adopted in the case of the Govt Silk Farms which supplied silk to the Govt of India at net cost. The Govt of India do not appear to have raised any objection to it

Vide letter on the P.F. below

cf Note at p 39 cf

cf Note p 36 cf

Vide K on p 12 cf para 4, page above

A above

B

This action may be approved

his does not appear to be accepted, I think

S

As a profit element is claimed, the Govt of India will not agree to interest on Capital, leave & pensionary Contribution being included in the Cost of production specifically. In the case of a private Contractor as the Govt is [illegible]

For orders on A & B in p. 14 above. A Summary note with a draft letter to India will be submitted after orders are passed on the points above.

AS 24/2/45

Secretary (A) 24/2/45

of A on p. 10 ante
of M on p. 11 ante
Vide (b) on p. 1 above

New Delhi
4091 2-A/44-13
27/2/45

(Previous Finance note on pp. 7–11 above)

The further notes of Dept. from page 1 above may be perused.

27 FEB 1945
FINANCE DEPARTMENT

The Dept. deptt. agree with Finance that the alternative of "Cost of production plus profit of Rs. 1-6-0 per lb" is preferable — viz the formula at A on p. 10 above — but consider that interest on Capital and leave and pensionary Contribution should be deleted from the actual manufacturing cost. They think, that as a profit element is being claimed, the Govt of India will not agree to the inclusion of interest on Capital and leave and pension Charges. See A on top of this page

B Suggested by this Deptt is correct & claim from the Govt. may be made accordingly
24.2.45

1. It is noted that the profit of Rs. 1-6-0 per lb will cover interest and depreciation on Capital. Assuming that the actual Cost of 1 lb of silk is about Rs. 22/- the profit of Rs. 1-6-0 per lb represents about 5.0% which is hardly sufficient to cover both the above items. They will often be a loss. It is not therefore correct to assume that the profit of Rs. 1-0-0 per lb will cover these

4 p. 39 CF
Capital Expr in 1940-41 1944-45
Rs 1.50 at 4" + 10"
1.50 x 14 = 21.750

3. Interest and depreciation for Capital — This is a normal item relevant in entering cost of production. Machinery and plant

are liable to depreciation and any seller should cover such charges during a Contract period. In the case of the Govt. Silk Filatures, H.M.'s Govt. bear directly all Capital expenditure and the Capital assets (depreciated assets) will belong to them. It does not seem that the Govt of India will object to the inclusion of this normal and recognized item.

4 Leave and pension Contribution. There need probably be no doubt also on this point. Item 7 of the elements of cost on p. 43 C.F. mentions, all staff including Supervisory, Clerical and Office staff and their Provident fund and such other perquisites as have been habitually granted by the Contractor. So far as the Govt. servants are concerned "Provident Fund and such other perquisites" should be taken to mean leave and pension Contribution. ~~This point need be specifically raised in the proposed letter to~~ The D. I. C. may be instructed to include these in working out the cost of staff.

4/ 27.2.45 DWD

A 27.2.45 We should follow the usual methods of calculating the cost of production; it may be left to the Govt. of India to object to details, if they wish to do so. I agree.

4/ 27.2.45

DWD 28.2.45

Dept

Mr. Leo/0005/Rdb/3-1

28.2.45

13733 D/45

Dev. Dept

J. Addis.

Please see the notes on pp 11-14 above of this dept and the note of the Fin. Dept on pp 14-15. As regards 7 on p 10 above, I do not think the D.S.C. should be instructed to include the item of interest on capital and leave and pensionary contribution in the cost of produc

b/-

Dev. Dept

To Addl U.S

This file deals with the acceptance by the Govt of Madras of the terms of the tender at pp 11-13 cf for the supply of Silk produced in the Kollegal Silk Filatures to the Dept of Supply. The Govt of Madras are in the position of a private contractor undertaking the supply of silk in so far as this Silk Filatures is concerned. The question of the terms of supply of Silk was discussed in the Quarterly meeting held by the Dept of Supply at Bangalore on May 1944. The D.I.S.C. who represented the Govt of Madras at the meeting made the position regarding the supply of Silk clear by demanding the actual cost of production plus a profit of Rs 1/6 on every lb of Silk. The representatives of the Dept of Supply appeared to agree to the proposal of the D.I.S.C. But in issuing the tender for acceptance of contract for the supply of Silk, the terms were varied and differed from the one set out at A above. Accdg to the Dept of Supply, the Silk is to be supplied on the following terms:-

(i) the controlled cost of Cocoons, 18 lbs of which will reel one lb of Silk plus

(ii) the average actual cost of reeling, loss credit for value of waste produced, plus

(iii) a fixed profit of Re 1/6 per lb of Silk.

In his remarks at pp 56-57 cf, the D.I.S.C. asserts that these terms, which are all variances from those agreed to at the meeting in May 1944 would result in loss to the Govt of Madras. ~~It~~ It should be stipulated with India that they pay for the cost of cocoons on the basis of 22 lbs of Cocoons per lb of Silk instead of the basis of 18 lbs of Cocoons per lb of Silk and the actual cost

producer's notion of the average annual cost of working.

Para 5, p 3 of He has no objection to allow abatement on account of waste silk incurred in arriving at the cost of production. The points raised by the Dept of Supply and the D I Sc have been examined in detail both by this department and the Dept at Nos 3 - 15 above. It is now proposed to address the Dept of Supply on the following lines in respect of the supply of silk by the Kollegal Silk Filatures.

Comparison (a) That the position taken by the Dept of Supply regarding the continuity of contract for supply from the Kollegal Silk Filatures cannot be accepted and that the Govt of Madras are at liberty to refuse supply if the terms are not acceptable; and that

(b) that the supply of silk should be paid for

Mysore p 10 above on the following 'price formula' instead of the

(i) actual price paid for cocoons during

the agreed period of six months immediately

preceding the

(ii) manufacturing costs during the period

Ayah p 10 above which will include, besides the items mentioned in

pp 43 - 45 of the Committee's Report, interest at 4½% on capital

expenditure charges on plant, machinery and

buildings, charges for the higher supervision of D I Sc

and its staff and a clear and a pension Contribution of

Staff; plus

(iii) fixed wages of Rs 1/6 per lb.

I'm sure not these should be included also - "A&S" on Page 1

Govt. Dept. have suggested that in the place of

the Rs 1/6 fixed wages in the price make up, the actual

Cost formula plus fixed profit' proposed on the above basis, a draft letter to Govt of India submitted for consideration.

The case may be considered for approval of the draft letter to Govt of India.

J.P.A. 7/4/45

6.4.45

7/4/45

9/4/45

11.4.45

[Issued as Letter no. 40912 D/44-15, dt. 14.4.45] 14/4/45

[From the D. Dgt, no. D. I. 2812/44 dt 6.4.45]

To Addl. 2.S.

Please see the D.D.C's letter at p.59 ~~of A draft letter to India is submitted below for approval~~. A reminder for 1945 has been received. Presumably the Dept of Supply will exclude the unexecuted portion of the Tender for 1944 in the fresh tender for 1945. The extension of time till 30th April 45 may however be asked for, leaving it to the Dept of Supply to adopt M above. Subject to orders, a draft letter to C.C.P(S) New Delhi is submitted for approval.

M

12.4.45

[Issued as letter 40912 D/44-15 dt 14-4-45]

[From C.C.P(Supply) to Govt of India, Supply Sy/38228/X-3/274 dt 20.7.45] p 674

To 2.S.

Please see the letter issued to the Govt of India

at pp 61-63 cf and the reply thereto at p 67 cf from the Chief Controller of Purchase (Supply) New Delhi.

It was made clear in para 2 on pp 62-63 cf that the Govt of Madras would desire the payment for the price of silk supplied in 1944 on the basis of the actual 'cost' of production together with a profit element of Rs 1/6 per lb. It was also made specifically clear that the actual ratio of cocoons used, without reference to the unworkable basis of 18:1 rendition in the price formula, should be included in the cost of production as desired by the Govt. The Supply Dept appears not to understand the terms so clearly set out and asks for further elucidation Vide para 1 on p 67 cf. The attention of the Chief Controller of Purchase may only be invited to the terms contained in para 2 of our letter at pp 61-63 cf and to ask for a categorical reply. As the question has been discussed fully in the note in this case, it does not appear that the letter at p 67 cf contains any new points on which the Govt should be consulted before sending a reply to India as suggested at M above. However, Supply Dept may however see the Case for any further remarks they may like to offer on the letter at p 67 cf.

Para 2 on p 67 cf: The terms of payment insisted on by this Govt for the supplies made in 1944 will automatically apply to the supplies in 1945. No other remarks are called for on this.

For orders. This is very unsatisfactory and a most evasive reply. The only

b 62 cf

M on p 62 cf

M on p 62 cf

R on p 11 cf
H 19-20 cf &
[illegible] cf
M on p 62 cf

cf N on p 62 cf

course would seem to be to
reiterate what we have already
said and very strongly - asking for
an immediate confirmation/reply. We do not
(Reply in the form of a D.O. to meet
the question might be advisable.)

DOTW

DEW U.O.
40912 D 144-19
31.7.45

Fin. (Accts. B)

ASST SECRETARY TO GOVR. 1 AUG 1945 FINANCE DEPARTMENT

Please see the previous fin. notes on pp. 7-11 & 14-15 above, the letter to the Govt. of India on the subject and the notes on pp. 19-20 above.

35123

This department may agree to the proposal of Dep. Sec. A above.

KRW 4.8.45

Send a d.o. as at B above to expedite a decision. Dud

If Sums however better to obtain the remarks of the Dir. of D. & C. on the G. of I. letter on p. 67 ante. before a reply is sent to them.

Hardly necessary in view of the position stated by Dep. Sup. Below. KRW 4.8.45 Dud

The term "cost of production" as used at the Bangalore Conference obviously covered all items of cost, including cost of caissons, cannot be arbitrarily limited to a certain part the cost of production, as proposed by India. Dud

KRW 4.8.45 & Dud 4.8.45 DeSt.

DR 3.8.45
3.8.45
3.8.45

fin mo no 35123 A & B-1
4.8.45

Dew Dept 47666D/45

To Dep. Sec. A.

UNDER SECRETARY 6 AUG 1945 DEVELOPMENT DEPARTMENT

With reference to 'A' & 'B' above, a draft D.O. by R. Target, the D.S. of Supply to ~~the Chief Controller of Purchase (Supply)~~ is submitted below for approval.

It is understood that the D.S. of Supply has

9/8/45

proposed to meet the Representatives of the Trust of Madras on 25.8.45 in connection with the liquidation of the assets of the Arab Seth Estates, Kolkata (owned by H.H. the Nizam) if no satisfactory reply to the present D.O. is received before then, the subject might perhaps be discussed orally with him at the ensuing meeting of Trustees.

It might be as well to discuss this matter in Meeting

3.8.45

11/8/45

Pp. 61-67 C.F. read with Pp. 16-20 above explains the controversy here.
The D.O. draft may be approved and issued — it will ensure that Sir R. Target's personal attention is drawn to the correspondence before he is tackled on the subject in Madras — as would appear to be advisable.

T.S.

11/8/45

pp 69-70 C [Issued as D.O. 4041-D/44-20 a 13.8.45]
p 71 C From the D. D & C, no. D.1. 2812/44 d. 9.8.45

J. 2.5.

The reminder from the D. D & C. on p 71 C may be perused. No action on this is necessary, a reply has since been received from India and a d.o. reply thereto has been sent to India again. A Copy of the D.O. to the D.G. of Supply has also been sent to the D. D & C. for information

14.8.45

14/8/45

14/8/45

The Government of India representatives agreed that they would agree to the views of the Govt. of Madras to pay for the silk on the basis of the actual cost of production including the cost of cocoons. with the margin of profit of Rs.1/6 per lb. We m... for a ... of this position by the Government of India.

27.8.45

...S. M above:

With reference to order above, a draft letter is submitted below for approval

30/8/45

30.8.45

Issued as letter no. 40912 A/46

[From the C.C.P (Supply), N.Delhi, no SY/38228/X-3 dt 12.9.45]

To U.S.

Please see the letter addressed to the Govt of India at pp 73-74 C.

Perhaps, the C.C.P's amendment at p 75 C to the Schedule to the A/T at p 11 C is in reply to ~~not~~ the letter at ~~pp 75 C~~ pp 73-74 CF

A draft credit in p 76 C to the D.S.C. is submitted on p 76 C for approval. The case may be sent to Fin before issue, for perusal of the letter at p 75 C

The letter at p 75 C may be acted on receipt of D(S)'s reply to Fin. at p 76 C.

14.9.45

Secret Fin.

18.9.45

On return from Fin. submit draft to Secy. Trans Dept

Dy no. 40912 A/46-2

20.9.45

SECRETARIAT

12 SEP 1945

SUPPLY DEPARTMENT

Fin. (Accts. B) 42/46/57

(Fin. Saw last on p. 220 above)

The case is set out in its D.O. dated notes on pp. 16–18 ante. Junk [redacted] on p. 22 ante and the correspondence with its Supply dept. on pp. 73–75 cf and its draft endorsement on p. 76 cf may be perused. and the case returned to Dew.

Dew 25.9.45

DR 22.9.45

Dew. Dept.

Fair copy put up Pahlajani 25.9.45
GOVERNMENT
26 SEP 1945
5884 5
DEVELOPMENT DEPARTMENT

To Secy:

The draft endt. on p. 76 cf. may issue now.

26/9/45 26.9.45

[Issued as Endt. 409/12/2/44-S dated 27.9.45]

p 76 cf

[From the G.O.I. D.O. 28/12/44-D dated 10.10.45]

pp 83-84 cf

To U.S.

This file deals with the acceptance of tender for Supply of silk from the Kollegal Silk Filatures, Kollegal to the Central Govt for the year 1944. There was a protracted correspondence between this Govt. and the Govt of India regarding the terms. The letter of India at pp 61-63 cf puts forth the case for the Madras Govt the revised terms offered by the Central Govt are indicated. the Govt. of India's reply at p 75 cf ~~gives their agreement to the views expressed by the Madras Govt.~~ The D.I. was consulted on India's reply and his remarks are at pp 83-84 cf. ~~For orders whether the Govt of India may be replied the~~

pp 11 cf

pp 19-74 cf

p 15 cf

~~The Con may also be sent to Finance for formality, before formal acceptance is communicated to India.~~

16/10/45 – Subject to the presumption raised by Mr Dike at A on p 84 cf in respect of the revised item (iii) on p 75 cf, the Govt may accept the revised terms. Subject to orders, a draft letter to India is submitted for approval. It may issue after perusal by the Dept.

Fin
17.10.45

Dev u-o
4912D/44-26
18.10.45

Finance (Accts B)

(Previous notes of Finance on p. 23 above)
(Page 75 C.F and the D.I.C's letter on pp 83-84 C.F)
The notes of Dept. from 23 above and the draft letter to India may be perused and the file returned to Dept. (With refce to para 2 of the D.I.C.'s letter on p 84 C.F. and para 1 of the draft letter, it may be noted that the term 'receiving charges' was used by the Supply dept. to indicate cost of production - see portion Y on p. 41 C.F. wherein the elements of production cost as detailed by them on pp. 43-44 C.F.)

ASST. SECRETARY TO GOVT. OF INDIA
18 OCT 1945
FINANCE DEPARTMENT

47/32

16.10.45

~~There seems to be no doubt that we have agreed to this formula.~~

8.10.45 13.10.45

Finance 47/32-Accts B
19.4.45

Jo. 2-5.

For orders whether the draft &c.
[NF from P.U. ante with relevant CF]
Rec'd since.

19 OCT 1945
DEVELOPMENT DEPARTMENT

21/10/45 23.10.45

[Issued as Lr 4161 (IS) Dev dated 24.10.45] pp 85-86 cf

Industries – Sericulture – Supply of Silk to Govt of India in 1944 – Terms of Contract – Inclusion of higher supervision charges.

From the D Dte no 677 DL/44 dt 10.10.44.

To AS: The letter from the D Dte on p.1 CF may be perused. This proposal to ~~[illegible]~~ for higher supervision charges. In 1944 the Govt of Madras were supplying silk (on contract) from the Kollegal Silk Filatures to the Govt of India, Dept of Supply. The terms of supply of the silk were discussed in the quarterly meeting held by the Dept of Supply at Bangalore in May 1944 and the D Dte, Madras represented this Govt at the meeting. Attention is invited to the summarising note of discussions at the meeting on pp 25–28 NF of G.O. No 416 Dev dt 24.10.45 and the summarising note on pp 16–20 NF of that G.O. In this Dept letter on pp 61–63 CF of (D) it was made clear to India that the Govt of Madras would desire the payment for the price of silk supplied in 1944 on the basis of the cost of production together with a profit of Rs 1/6 per lb as per details at 'M' p.62 CF of (D). It was stipulated that the actual manufacturing cost should include besides the elements of cost stated in Govt of India letter on p.41 CF of (D), interest on capital, depreciation charges on plant machinery and buildings, charges for the higher supervision of the D Dte and his staff and the leave and pensionary contribution of the Staff. Subsequently in this Dept letter on pp 109–110 CF of (D) to the Govt of India it was also presumed that India would have no objection to include in the actual manufacturing cost charges for the higher supervision of the D Dte and his staff and the leave and pensionary contribution of the Staff. In reply to this the Govt of India wanted a certificate to the effect that the reeling of raw silk was being done under the

pp 3–13 CF of (D)

pp 25 NF of (D)

(D)

at 'M' p.62 CF of (D)

and 'M' p.62 CF of (D)

2' p.110 CF of (D)

direct supervision of the DSIC. This certificate could not be furnished inasmuch as the reeling of the silk was being done under the direct supervision of an officer subordinate to the DSIC. and India were informed accordingly. Finally the Govt of India ~~communicated~~ agreed to the inclusion in the manufacturing cost of the salary of the officer directly in charge of the supervision of the work. This was communicated to the DSIC. in July 1948.

2 In his letter on p1 CF the DSIC has now renewed the proposal and requests that India may be addressed again for inclusion of a percentage of pay including leave and pension contribution of the DSIC and his staff at Madras. The Director states that the sanction ~~mentioned~~ mentioned at 'L' above was already admissible under Item 7 at p 43 CF of (D) and that no special sanction from India as that conveyed on p. 127 CF of (D) was necessary for this purpose. If Govt do not wish to press the inclusion of higher supervision charges of DSIC and his staff the Director requests that India may at least be asked to agree to the inclusion of the leave salary and pension contribution of the officer directly in charge of the supervision of the work. Vide p 1 CF

3 In this connection it is submitted that the conditions have completely changed now in regard to the silk filatures at Kollegal. The filatures are now owned by the Madras Govt. In his letter at p3 CF the AG has requested that orders of the Govt of India may be obtained for the leave salary and pension contribution of only the officer directly in charge of supervision of the work. It does not appear at this length of time to re-open the question of higher supervision charges relating to DSIC and his staff. It appears that it would be sufficient to address India in regard to the leave salary and pensionary contribution of the officer directly in charge of the supervision

The view held seems to be correct Govt 16/1/4

ED Accts

ume work as suggested by the AG on p3c.
Subject to orders a draft letter to India is put
ketch? submitted for approval. Finance may see before
is sent.

DNE
15-11-49

C&S
Draft S/
17.11.49

Fin.

DW.CC.No
101738 DI/49-1
17-11-49.

Finance (Accts).

The notes of Dept. on pp 1-3 above and
the draft letter to the Govt of India
below, may be perused. This dept may
agree to the proposals on the draft letter.

ASSISTANT SECRETARY TO GOVERNMENT
77902
18 NOV 1949
FINANCE DEPARTMENT

Fin
21.11.49
DW
21/11/49

C&S
22.11.49

DW

1.14214

Fin No 77902 Accts/49.

ASSISTANT SECRETARY TO GOVERNMENT
25 NOV 1949

22/11/49

DEV/DEPT

To Dept.

The draft letter below
may now issue

Fin
28.11.49

DW
28.11.49.

29/11/49

Dc 5-6 c f.
D 17 c f.

[Issued as Letter No 101/38DI/49-2DEV dated 29-11-49
From the Govt of India, Ministry of Industry & Supply to the
Directorate General of I.S. New Delhi No FZ/IX/38222 dated 31-3-50

A&S

of work in respect of the K.S.F., Kollegal. The D[illegible]te may be informed accordingly. Subject to orders the draft Govt. on p 17 C.F. is for approval. Fin. may see before issue

6/4/50 W 10.4.50.

Finance

Dev. u.o 101738 DI/49

11-4-50.

Fin (Accts)

(Previous Finance note on p 3 above)

The further note of Dept on pp 3-4 above, the letter from the Dy Director of Supplies on p 17 CF, and the endorsement thereon may be perused, and the Case returned to Dept. who may be requested to amplify the Govt. as indicated in pencil.

15/4/50 W 15.4.50 Dept

ASSISTANT SECRETARY TO GOVERNMENT 26189 17 APL 1950 FINANCE DEPARTMENT

Fin (D) 26189/Accts/50-1 15.4.50

33906

S.O.A.S.

DN (DI) Deptt

Note of Fin above may be perused. The draft Govt. [on p 17 CF] as amplified by Fin. may now issue. The 2/4/50 additions have been inked

19.4.50.

ASSISTANT SECRETARY TO GOVERNMENT 18 APL 1950 DEVELOPMENT DEPARTMENT

(Issued as Endt 101738 DI/47-8 d. 19.4.50.] - p 7 Cf.
[From the D[illegible]te No 677-DI/48 d. 7.12.50] - p. 9 !
[From the D[illegible]te No 677-DI/48 d. 25.5.51] - p. 11 Cf.

Orts

Please see the letter from the D[illegible]te at p. 11 (2) Cf. The D[illegible]te has stated that the A.G. may be authorised to adjust a sum of Rs 3085-3-0 which has been included in the Cost Statements towards direction charge for the period from 24.3.44 to 31.8.45 when supplies of Silk were made under Contract and credit to Govt of India

to Govt. of India and recovered from Govt of India.

A draft memo to the A.G. is submitted for approval.

Fin. may see before issue.

Dfa 31/5/51
1.6.51

16/6

26.6.57 Fin

Dev. no 101738 MI/49-17
2.6.57

ADDITIONAL DEPUTY SECRETARY
4 - JUN 1951
41887
FINANCE DEPARTMENT

Finance (Accts)

(Last seen in Finance on p 4 ante) Secretary's note from p. 4 above and two draft memo below may be perused. Dept. may now be requested to verify the ~~The draft memo may be amended as~~ whether the sum of Rs. 3085/3 mentioned ~~to be accomplished and~~ in the draft memo to be referred to the G.I. has actually been allotted to the Accts. authority.

Govt. Servant 7.6.51. 8.6.57 Dept

Fin U.O. no 41887 Accts/57
9/6/57.

To Accts Dev Dept

14753

(Fin. notes above.)
With ref. to 'A' above a draft memo to the A.G. is submitted (below) for approval

DFA 15.6.57
15/6/57

15/6

DEPUTY SECRETARY TO GOVT.
11 JUN 1951
DEVELOPMENT DEPARTMENT

P 13 cf issued as Memo No. 101738 MI/49-18 dt 15-6-57
P 17 cf From R A. & DA. 33P-21/44-45/291 dt 23-9-52

Notes from p.1 above may be read.

The file relates to the question of adjustment of the Supervision charges of the D.I.& C. and his staff included in the cost statements regarding the supply of silk to the Govt. of India during the period 24-3-1944 to 31-8-45 and and recovered from the Govt. of India. Since the Govt. of India did not allow this item, it became necessary to make a refu

to the Govt. of India. The A.G. has now reported that a sum of Rs. 3417-3-0 had been adjusted to the credit of the Madras Govt. in the accounts for 1944-45 and 1945-46 on account of the supervision charges of the D.I.& C. and his staff. This sum has now to be adjusted to the credit of the Govt. of India. A draft memo to the A.G. is submitted below for approval.

Finance may see before issue.

LP
4/4/52

Fin
Dco No 101738 B/-28
4-10-52

Fin(Accts)

(Previous notes of Finance on P. 5 above)

The further notes of Development on pp 5-6 above may be perused and the ~~file~~ draft Memo accepted.
~~returned to Development~~.

ADDITIONAL DEPUTY SECRETARY TO GOVERNMENT
6 OCT 1952
72600 Accts
FINANCE DEPARTMENT

M
14/10
15-10-52

16.X.52

Dev.(G)

Fin No. 72600 Accts 52-1
16-10-52

N.S. The draft Memo below may now issue. After issue the papers may be added to the ~~file~~ letter at (1) 117145

from 41 61 Dev
24 to Fin -

MS
20.10.52

LP
20/10/52

UNDER SECRETARY
20 OCT 1952
FINANCE DEPARTMENT

S.P. 8/2

DEPARTMENT OF SUPPLY
DIRECTORATE GENERAL OF SUPPLY

Sub:- Expansion of Filature silk production in Madras.

The quarterly meeting between representatives of the Government of India & of the Government of Madras to discuss matters of common interest in connection with the Silk Expansion Scheme was held at Bangalore on 13th May and was attended by :-

Govt. of India		Madras Govt.	
(i) Supply Department.			
Mr. MacFarquhar, DDG(		Mr. Khaleeli, Director of Industries and Commerce.	Capt. Peregrine.
Mr. Chaudhuri, Dy. Director, Textiles			
Mr. Isvaran, DCOS, Bangalore.		Mr. Peychaud, General Manager, Govt. Silk Filature, Kollegal.	Capt. Fawcett.
(ii) Finance Department.			
Mr. Ratnam, DFA.			

2. Erection of basins. The basins at the Madras filature are all complete and working. At HMG's filature 256 of the 424 projected basins have been erected and fitted and for the Madras Government it was stated that the remainder of the basins would be completely erected and fitted by the end of May. Steam which is currently a bottleneck will also be established on a permanent and adequate basis by that time. The water supply though adequate is unsuitable but this will not impede production.

3. Realistic forecast of production.

(i) Kollegal filature. Subject only to availability of cocoons the programme already intimated will be maintained. This is as follows:

Jan.	Feb.	Mar.	Apr.	May.	June.	July.	August.	Sept.	Oct.	Nov.	De
					LBS.						
2433	2760	2880	2900	3000	[illegible]	3350	3500	3750	3750	3750	37

This gives a total of 39,023 lbs of filature silk in 1944.

(ii) Government filature. The programme already submitted anticipates production of 85,609 lbs of silk in 1944. This however was based on the expectation that all 424 basins would be working by April, so that even if they are ready to work at the end of May as now reported, the programme is already two months in arrears and Mr. Khaleeli indicated that there would be a further setback on account of the remaining bottlenecks which are labour and cocoons. In regard to the former, the situation is that local labour is about 500 short of the requirement of both filatures running at capacity. Further recruitment therefore depends on provision of transport or accommodation; and a scheme which will accommodate about 150 labourers in family quarters of a permanent type has been sanctioned and will be pushed ahead. Mr. MacFarquhar suggested that for the same money less permanent but entirely suitable accommodation could be provided for the whole of the outstanding labour force of 500; but Mr. Khaleeli stated that the Madras Government could not accept any reduction in the standard of housing as its policy was to improve rural housing of industrial labour to the standard of Nilgiri plantation quarters. The urgency of getting the filature into full work could not justify a deviation from this policy; but Mr. Khaleeli thought that for the balance of the accommodation required it would be possible to make provision on the hostel system instead of having more family quarters and he undertook to have this examined as a matter or urgency and to put forward proposals. (ACTION: Madras Government).

4. As to the second bottleneck - cocoons - Mr. Peychaud expressed the opinion that the Madras supply would be inadequate even for the 408 basins at the two filatures which could otherwise work. The annual requirement for these basins is 2.25 million lbs and although the Sericultural Expert to the Madras Government put production at 2 million lbs Mr. Peychaud from his experience of past supplies thought they might be as low as 1.4 million lbs. It was agreed to state the deficiency at one million lbs a year until the additional mulberry acreage in Madras came into full bearing; and it was decided that the Govt. of India should ask Mysore for an assurance of supplies of green cocoons to

Madras at the rate of one million lbs a year for a minimum period of two years supply to be arranged at exclusive and accessible markets to be agreed between Mr. Peychaud and Mr. Govinda Rao.

(ACTION: * Government of India).

5. If this Mysore supply failed to materialise, Mr. MacFarquhar asked whether Madras would be prepared to consider concentration of working basins at the Government filature. This would be some solace to HMG for their disappointments and should make for greater economy and efficiency in production. Mr. Khalooli thought there would be no such advantages in the proposal and the Madras Govt. were unable to accept it.

6. The delays already suffered will impose a change in the forecast of production and there may be further setbacks on account of lack of labour and cocoons. It was expected that the possibility of assistance in cocoons from Mysore would be clarified within the next three days and on this understanding Mr. Khalooli undertook to give a revised programme of production for the Government filature by 31st May. (ACTION: Madras Government).

7. Improvement in quality of silk. Mr. MacFarquhar expressed his appreciation of the effort which was being made at HMG's filature to improve the quality of its silk. He had noted that the production plan provided for a gradual elimination of "Trainee" and "B" Grade silk. He asked whether the same policy could be adopted at the Madras filature. Mr. Khalooli said that they would certainly make better silk their objective if the appropriation in quality was reflected in the price. He intended to raise this issue later in the proceedings; and after discussion agreed that provided the basic price was satisfactory the current differentials for [illegible] silk.

8. Mr. Khalooli however went on to point out that Madras were dissatisfied with the testing arrangements and were not convinced that, if they did produce good silk, it would necessarily be properly graded. He had seen the Bengal Conditioning House and was not impressed with its efficiency. Capt. Peregrine did not admit that the Bengal Conditioning House was inefficient. He undertook however until other regional arrangements for grading Madras silk were made, to have Killegal silk handled with special care in the Bengal Conditioning House and to issue appropriate instructions. Mr. Khalooli expressed himself satisfied with this undertaking. (ACTION: CGI).

9. On the general question of the Delhi grading for price differentials Capt. Peregrine pointed out that experience had brought one inadequacy to light. Silk regionally graded "F" by Delhi standard and sent to the Bengal Conditioning House for further test might not qualify for the minimum price differential by coming up to International "E" but might be up to International "F" which was better than Delhi "F". This should be recognised in the grading. Mr. MacFarquhar pointed out that the present scheme was subject to reconsideration at the end of June and suggested that the opportunity might now be taken to determine South Indian views on the subject. It was arranged that those concerned should meet on 16th May. Other regions will be consulted thereafter.

10. Reports. Draft forms of report on which it was proposed to standardise were circulated and accepted with minor amendments.

11. Silk waste. Mr. MacFarquhar reported to the meeting that HMG are very badly in need of high-grade silk waste and want as much as they can get immediately. It was agreed that the waste produced by HMG's filature was at their disposal and Mr. Khalooli agreed to despatch all Grade I and II waste in stock at once to Controller of Supplies, Madras who would arrange for pressing and onward despatch. Further deliveries will be made monthly. Mr. Khalooli further agreed to make all Grade I and Grade II waste from the Madras filature available to HMG at a price of Rs. 3/- per lb. for Grade I and Rs. 2/- per lb. for grade II ex filature plus packing and freight at cost. Mr. MacFarquhar undertook to consult HMG about the acceptability of the price and Mr. Khalooli agreed that in view of the urgency of HMG's need he would despatch all stocks in advance of settlement of price. (ACTION: Madras Government and Government of India).

It was agreed that all Grade III waste from both filatures could be sold to any customer in India.

16. : Price of silk produced by Madras Government's filature. Mr. Khalcoli stated that the Madras Government had completed the old contract for silk in February on the terms which the company (their predecessors-in-interest) had accepted but they could not make any further supplies on the same terms as they would be working at a loss. Mr. MacFarquhar offered to pay a price which would cover cost of production and maintain the agreed profit of Rs. 1-6-0 per lb. Mr. Khalcoli considered this did not go far enough. The Madras Government's view was that as there is no subsisting contract with the Govt. of India they are free to negotiate a price which need not be related to past contracts. He offered to supply silk at whatever price was conceded to Mysore in the revision of their contract which he understood was about to take place. Mr. Ratnam pointed out that while Mr. Khalcoli was technically correct in saying that there is no contract to the extent that no fresh acceptance of tender has been issued by CCP(S), there was in fact a continuing agreement between the two Governments which required all silk produced under the Expansion Scheme to be offered to the Government of India on the terms agreed in 1942. Mr Ratnam explained that at that time production from the company's filature was regarded by both parties as coming within the scope of this agreement. Mr. MacFarquhar stated that Mr. Khalcoli's proposition was unacceptable. Ordinarly in an ex-gratia revision of contract the Government of India would not maintain the contractor's profit; at best they insured him against loss. In the peculiar circumstance of this case however the Government of India had gone further and conceded the maintenan of profit but they certainly could not consent to the cost elements being assessed on a fictitious basis which might involve a further concealed profit. After considerable discussion Mr. Khalcoli explained that his proposition was based on the assumption that in any revision of Mysore prices the Government of India would be dealing directly with filatures. He now understood that the Government of India's contractual relation was with the Government of Mysore. In these circumstances he accepted for the Madras Government's filature a price which would cover its costs of production plus a profit of Rs. 1-6-0 per lb. Mr. Ratnam said that as the Madras filature's accounts were audited by the Accountant General, Madras no scrutiny of costs by the

Central .....

Central Government would be necessary - they would accept the Accountant General's returns. In operating this arrangement it was decided that the cost of supplies from the date of commencement (about March 1944) to the end of June should be determined and paid for and that thereafter provisional payments would be made against supplies over each succeeding six months at the final price of the previous period which would be adjusted to actuals when the accounts came in. An acceptance of tender on this basis will have to be issued by C.C.P.(S). (ACTION: Government of India)

13. - Miscellaneous. The possibility of charging various items of expenditure now debited to the Central Government against profits on the Madras silk control scheme was raised. It was decided to let the correspondence on the subject take its course.

(A. MacFarquhar)

Rosalino Neto

10/1/50

Dr. No. 101738 DI/49-3 dated 9-1-'50

To

The Director of Supplies,

Directorate General of Industries and Supplies,

New Delhi.

Sir,

Sub: Industries – Sericulture – Acceptance of tender for filature reeled raw Silk from Kollegal Silk filatures, Kollegal in 1966.

Ref: Your letter no. Sx-2/38228 d. 1.7.'48.

This Govt. Dr. no. 101738 DI/49-2 Dev. dated 29.11.'49

—

I am directed to enquire whether the Sanction of the C.F.D in the matter has been obtained, and if so, when a reply to this Govt letter cited above may be expected.

P.I. Issue 9.1.50

p127 CF of (D)

pp5-6 CF

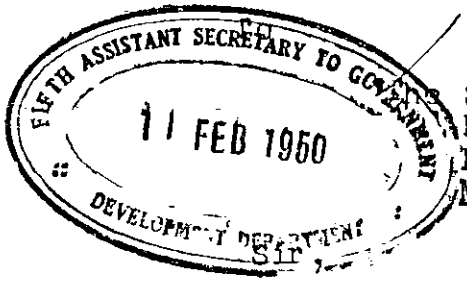
Y.R. 10.2.'50

8.1.'50 9.1.50.

No. FZ/Tx/38228
Directorate General of Industries & Supplies.,
Finalisation Directorate.

Please address your reply to
Finalisation Directorate.

New Delhi, the 8th Feb, 1950.



12100

To

The Secretary to the Govt. of Madras,
Development Department,
Fort St.George,
MADRAS.

Sir,

Sub:- Industries -Sericulture - Acceptance of tender for Filature reeled raw silk from Kollegal Silk Filatures, Kollegal in 1944.

Filature

Ref:- Your letter No.101738 DI/49-3 dated 9.1.1950.

Madras Govt. letter No.101738 DI/49-2 Dev dated 29.11.49 as referred to in your ~~in~~ above letter has not been received in this office.

You are, therefore, requested to send a copy of the same at an early date to enable us to take the necessary actior

Yours faithfully,

(G.M.DILWARIA)
Assistant Director (Supplies).,
For Director General of Industries & Supplies.

JCG/6/2.

14-350

Dev(DI)Dept

Pl. issue @ 14/2/50

Letter No. 101738 DI/49-4 dated 14-2-50

To

The Director of Supplies,
Directorate General of Industries and Supplies
Finalisation Directorate,
New Delhi (with Encl).

Sir,

Sub: Industries - sericulture - Acceptance of tender for Filature reeling raw silk from Kollegal Silk Filatures, Kollegal in 194

Ref: Sri G.M. Dilwaria's letter No FZ/TX/28228 dated 8/9-2-50

I am directed to enclose a copy of the ~~Department's~~ Govt's letter No 101738 DI/49-2 Dev dated 29-11-49 as desired.

12/2/50 13/2/50.

13250

Y.T.

× Copy of PP 5-6 cf
" " " 109-110 cf of (D)
" " " PP 95-98 cf of (D)

f. 9 c.f

ff 5-6 c.f.

Dev(DI) Deptt

Letter No 101738 DI/49-5 dated 16-3-50

Pl. none 17/3

To The Director of Supplies,
Directorate General of Industries and Supplies,
Finalisation Directorate,
New Delhi.

Sir, Sub: Industries - Sericulture - Acceptance of tender for filature reeling raw silk from the Kollegal Silk Filatures, Kollegal in 1944.

Ref: This govt's letters No 101738 DI/49-2 Dev dt 29/11/49 and No 101738 DI/49-4 Dev dated 14-2-50

I am directed to invite a reference to the letter first cited and to enquire when a reply in the matter may be expected.

17/3/50 17-3-50.

Y.t.

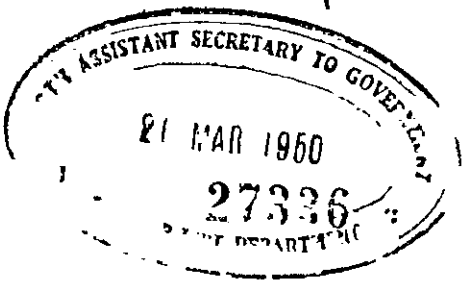
17350

No.677-D1/48

Department of Industries & Commerce,
Mount Road, Cathedral P.O.,Madras.6.
Dated the 24th March 1950.

From

The Director of Industries & Commerce,
Madras.



To

The Secretary to Government,
Development Department,
Fort St. George, Madras.

Sir,

Sub:- Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from the Kollegal Silk Filatures, Kollegal in 1949.

Ref:- Letter No.101738 DI/49-2 dated the 29th November 1949 from the Government of Madras, Development Department, addressed to the Government of India.

I request that the Government of India may please be reminded if no orders have since been received from them.

JGN.25/3/50

for Director of Industries & Commerce.

Ind(DI) Dept

Memo. No. 101738 DI/49-6 dated 29.3-50

Subj: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from the Kollegal Silk Filatures, Kollegal in 1949.

Ref: Letter from the DS&C No 677-DI/48 dated 24-3-50

With reference to the letter cited the DS&C is requested that no orders from the Govt of India have since been received and that they have been ~~lost~~ received on 17-3-50

29/3/50 29.3.50.

29/3/50

Issue

29/3/50

for DS&C

for DS&C, Madras.

50 29/3/50

RT-Fibre 677/Dev 3/6/50

Dev. DEPARTMENT.

Branch.

THE Director of Industries and Commerce Madras

2 JUN 1950

have the honour to invite

I am directed to invite attention to Endt.

No. 101738 D.T. 49-8 — dated 19.4.50 and to

~~to request that the reply to it may be expedited~~

request that this reminder may be returned ~~at once~~ by 20.6.50 with information as to—

~~(1) the stage at which the matter now is,~~

(2) the date by which a reply may be expected, ~~and~~

~~(3) the circumstances which have caused the delay.~~

Office Dev. Dept.
Station Fort St George
Dated 30.6.50

Signature: for A.S.S.T. Secretary
Designation.

87/3055

SUBJECT.

Industries — Sericulture — Acceptance of Tender for filature reeled raw silk from Kollegal Silk filatures in 1944.

[P.T.O.

87/3055

REPLY.

To The Secretary to Govt. of Orissa
Development Department

No. 136 W.

I am directed to refer the letter to the Secretary to the Agricultural Expert for his remarks and shall send my reply on hearing from him.

Director of Agriculture, Orissa, Cuttack.

Dev. Dept.
9.6.50. 106

Addl. Financial Adviser. The D.I.A.E's reply may be awaited till 10.7.50.

5/8

21.2.50
12/7

K. Mineler

Dev. Dept.

Memorandum No. 101738 MI/49-9 Dt. 11.7.50.

Subject: Industries - Sericulture - Acceptance of Tender for filature reeled raw silk from Kollegal Silk Filatures, Kollegal in 1944.

Ref: Govt. Endt. No. 101738 MI/49-8 Dev Dt. 19-4-50

The D.I & C. is requested to state when his final report in the matter may be expected.

11/7/50

10.7.50 10750

To

The D.I & C.

Dt. 22.7.50.

Dev. Deptt.

Memorandum no. 101738-MI/49-10 Dt. 26.7.10

Sub: Industries - Sericulture - Acceptance of tender for sick ~~filature~~ reeled raw silk from Kollegal Silk Filatures in 1964.

Ref: Govt. Endt. no. 101738 DI/49-8 Dt. 19-4-51 and the reminder Dt. 11-7-52.

The D.I & C. is requested to expedite his reply in the matter.

26.7.10

The D.I & C., Mads

A.D. 168-10

Industries & Commerce Department.

--

From
The Director of Industries
and Commerce
Madras.6.

To
The Secretary to Government,
Development Department,
Madras.

72233

--

No.677.D1/48. dated 24-7-50.

--

Sir,

Sub: Industries - Sericulture - Acceptance of Tenders for filature reeled raw silk from the Kollegal Silk FilaturelKollegal in 1944

p.3 ante

Ref: Govt.Memo.No.101738 M1/49-9 Dev.dated 11-7-50.

--

I am awaiting a reply from the Sericultural Expert in the matter and shall send my final report on hearing from him.

for Director of Industries & Commerce.

TRS/26/7

Dev. Dept.

TOA.

P. S and A submitted for perusal.
Further report of the D.I.Re. may be awaited
(R.D. 16.6.50).

29.7.50.

I Short
22.8.50

Dev. Deptt.

Memorandum No. 10173 SKI/49-11 Dt. 22.8.50.

Sub: Industries – Sericulture – Acceptance of Tenders for filature reeled raw Silk from the Kollegal Silk Filatures, Kollegal in 1944.

PSyKI file

Ref: From the D.I.Sc. letter No. 677-DI/48 Dt. 24.7.50.

The Dir. is requested to state when his final report in the matter may be expected.

21.8.50 21.8.50

To

The D.I.Sc., Madras.

R.D. 17.9.50.

DEPARTMENT OF INDUSTRIES & COMMERCE.

From
The Director of Industries & Commerce,
Mackay's Gardens, Cathedral P.O.
Madras 6.

To
The Secretary to Government,
Development Department,
Madras.

No.677 D1/48 dated 5/9/50. 91123

Sir,

Sub: Industries - Sericulture - Acceptance of tender for filature reeled raw silk from the K.S.F. in 1944.
Ref: Government Memo No.101738-M1/48 Dev. dated 22/8/50.

The reply called for from the Sericulture Expert has not yet been received. I have reminded him in the matter and directed him to submit his reply before 15th with.

for Director of Industries & Commerce.

Dev. Deptt.

To AS

Submitted for perusal. The Dir's report may be awaited (R.D. 22.9.50).

9.9.50 9950

30/31
26/9/50

2 cards

T Shrd
28
25.9.50.

P 8 9 R.T. file

Development Deptt.

Memorandum No. 101738 I&T/49-12 dated the 22nd Sept. 1950

Subject: Industries – Sericulture – Acceptance of tender for filature reel raw silk from the K.S.F. in 1944.

Ref: From the D.I.Se. letter No. 677 DI/48 D/. 5.9.50.

—.—

The Dir. is requested to state when his final report in the matter may be expected.

28-9-50. 28/9/50

28/9/50

To

The D.I.Se., Madras

R.D.9.10.50.

97-1-
14 | 52.

Dev. Dept.

Memorandum No. 101738 MI/48-12 Dt. 13.10.50.

Sub: Industries - Sericulture - Acceptance of tender for filature reeled raw silk from the K.S.F. in 1949.

Ref: From the D.I.Sc. letter No. 677 DI/48 Dt. 5.8.50. Page 9 of Ritable
Govt. Memo. No. 101738 MI/48-12 Dev Dt. 22.9.50. Page 11 ante

The D.I.Sc. is requested to expedite his reply in the matter.

10.10.50 12.10.50

To

The D.I.Sc., Hadapsar

N.R. 29.10.50.

Department of Industries and Commerce.

From
The Director of Industries & Commerce, Mackays Gardens,, Cathedral Post, Madras 6.

To
The Secretary to Government, Development Department, Fort St.George, Madras 9.

No. 677-D1/48 dated 16th Oct.,1950.

S i r,

Sub:- Acceptance of Tender for filature reeled raw silk from the Govt. Silk Filature, Kollegal in 194(4)

Ref:- Government Memo. No.101738 MI/49-12 Dev., dt 22-9-50.

I am in correspondence with the Accountant-General, Madras in the matter and shall submit my remarks to Government as soon as his final reply is received.

for Director of Industries & Commerce.

BN/17-10.

Dev(MI) Dept

Memo: 101738 MI/49-14 d. 16.11.50.

Sub: Industries - Sericulture - Acceptance of Tender for filature reeled raw Silk from Kollegal Silk filatures, Kollegal in 1964.

p. 13 ante

Ref: From the DIOC 677-DI/48. d. 16.10.50.

— x —.

The DIOC is requested to expedite his final report in the matter.

16-11-50

16/11/50

16/11/50

To the DIC

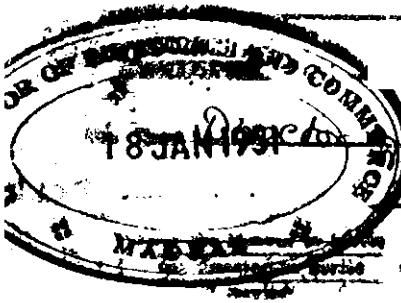
NR. 16.12.50

677/Policy

41311—4-11-46.

Dell Delhi

Tisca



Director Industries &
Commerce.

attention is your letter

677-DI/Misc 7-12-50

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Dlw See N.

Fol 18 Below

16-1-51.

[illegible]

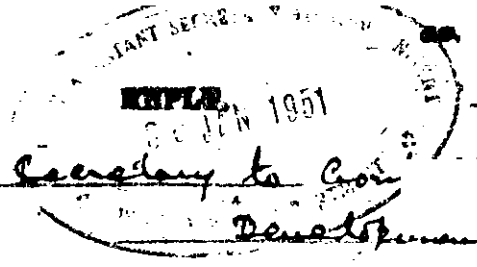
Fol Asst. Secretary Ind

Dev Dr.

SUBJECT.

Industries-Sericulture. Acceptance of tenders for filature reeled raw silk from collected silk Filature-in 1944

P.T.O.



1623

To The Secretary to Govt
Development Dept

The particulars called for from the Sericultural, Export, Coast Silk Industries Co-op Soc Ltd are still awaited from them. We have been reminded to expedite the submission of the same

for Director of Industries & Commerce

24.1.

25.1.57

N.R 14.2.51

12.2.57

12.57

III

ex Deptt

Memo: 101738 MI/49-15 d. 28.3.51

Sub: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from the Kollegal silk filatures.

Ref. From the Dte 677-DI/48 d. 7.12.50

The Dte is requested, submit, ~~state when his reply in matter may be expected~~ his report before 15-4-51

To The Dte.

ER issued on 24.4.57.

E.R issued on 8.5.57.

23191
175

12,71,311—4-1-50—1,000

FDER

DIRECTOR OF INDUSTRIES & COMMERCE MADRAS

MI

21 MAY 1951

Dir[illegible] of Industries & Commerce

Madras

I am directed to invite [illegible] reference to Govt. Memo.

No. 101738/MI/48-15 d. 28.3.57 and

request that the reply to it may be expedited

to, that this reminder may be returned before 15.5.

with information as to—

(1) the stage at which the matter now is

(2) the date by which a reply may be expected

and

(3) the circumstances which have caused the delay.

Office Dy Secy.

Signature N R Govindarajan

Station Fort St. Geo. For Asst. Secretary to Govt.

Date 8.5.51

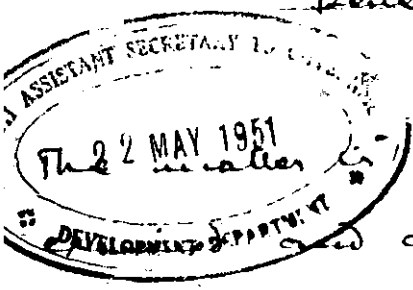
SUBJECT.

Industries - Sericulture - Acceptance of tender for filature reeled raw silk from Kollegal Silk Filatures.

REPLY.

To Secretary to Govt. Development Deptt

56749



Reminder letter dated 15th May and a reply to Govt. will be sent before the end of this month.

for Director of Industries & Commerce

Mr. 15/5/51.

T6/5/51.

10-11
18/5

27
Dev Dept

Pl. issue
Dft 17.5.57

Memo: 101738 MI/49-16 d. 17.5.57

Sub: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from the Kollegal Silk Filatures.

17 Cl
D. 19 Cl

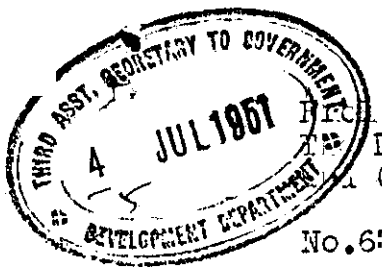
Ref. From the Dte No 677-DI/48 d. 7.12.50.
Govt. Memo No. 101738 MI/49-15 d. 28.3.57.

The Dte is requested to state ~~accept~~ before 25.5.57 whether ~~the~~ final reply in the matter may be expected

The Dtr
Dft 16/5/57

DK
24/5

17/5



Industries & Commerce
Department.

Transfer to MT

Dev 73462 MT

S.2.5 Dt

From:
The Director of Industries & Commerce, Madras.6.

To:
The Secretary to Government,
Development Department, Madras.9.

No.677-D1/48 Dated 29/6/1951. 101738

Sir,

Sub: Industries- Sericulture- Acceptance of tender for filature reeled raw silk from the Kollegal Silk Filatures, Kollegal.

Ref: This office letter No.672/D1/48 dated 25.5.1951.

I invite reference to this office letter cited and request to be informed whether the Accountant-General has been authorised to adjust the sum of Rs. 3085--3--0 to the credit of the Government of India.

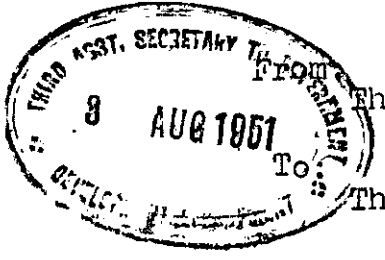
for Director of Industries and Commerce

MNG/30.6.

Submitted for perusal. The A.G. has been asked to state whether the amount has been credited to the Govt. of India previously and his reply is awaited.

Department of Industriesand commerce.

5293



From The Director of Industriesand Commerce, Madras.6.

To The Secretary to Government, Development Department, Madras.9.

No.677/D1/48 dated 31-7-1951.

Sir,

Subject: Industries- Sericulture- Acceptance of tender for filature reeled raw silk from the Kollegal silk filature Kollegal.

Reference: This office letter No.677/D1/48 dt. 29/6/1951.

I request to be informed of the stage at which the matter stands at present.

for Director of Industries and Commerce

MNG/1.8.

8/9/8

Memo: 101738 MI/67-19 dt 8.8.9

Sub: Industries - Sericulture - Acceptance of tender for filature reeled raw silk from the Kollegal Silk Filatures, Kollegal.

Ref: Govt. memo no 101738 MI/69-18 d. 15.6.ST.

—x—

The A.Gr. is requested to expedite the reply called for to the Govt. memo cited.

To The A.Gr.

Comptt
SR
9/8

8/9/8 788

8657

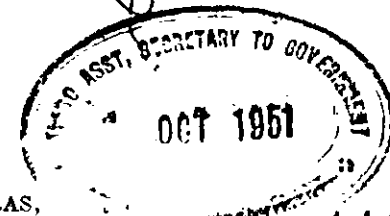
Wdo Dept
33-29

V Issue
7/8/89

No. OA 336-21/44-50/338 **Office of the Accountant-General, Madras.**

Fort St. George, dated October *195*

Enclosures.



110424

FROM

THE ACCOUNTANT-GENERAL,

MADRAS,

To

The Director of Industries and Commerce,
Madras

SIR,

Sub: Industries sericulture acceptance of tender for silature reeled raw silk from Kollegal supplied to the Government of India in 1944 adjustment of charges

Ref 21 above ---

I have to invite a reference to this Office letter OA 33-6-21-44-50-282 dated 9/8/51 on the above subject and to request that the information called for may kindly be furnished early so as to enable this Office to send a final reply to Government.

Yours faithfully,

Sd/

Assistant Examiner (O.A.D)

p3! above

Copy forwarded to the Assistant Secretary to Government, Development Department, Fort St George for information and communication of this Office letter No.33621/44-56/283 dated 9/8/51. A final reply will be sent on receipt of the particulars from the Director of Industries and Commerce, Madras.

Assistant Examiner (G.A.D)

DO(MI) Dept

Final reply from the Dir. may be awaited till 20.11.57

E.R. 25.11.57

E.R. 15.12.57

P/Issue

Dew(MI)Dte

Memo: 101738 MI/49-20 d. 9.1.52 3

Dfte 9.1.52

Sub: Industrial Sericulture. Acceptance of tende for filature reeled raw silk - Supplied to Govts India - adjustment of Charges.

p&3 cF

Ref from the A.b. OA. 336-21/44-50/338 d. 6.10.51;

— x — to the Dfte.

The attention of the A.b. is invited to the letter cited and he is requested to State when his final reply in the matter may be expected

To the A.b

Copy to the Dfte

Dfte 8.1.52

8/82

9/1/52

No.C.A.33.I.21/44-45/534. **Office of the Accountant-General, Mad.....**

Fort St. George, dated 11 February 1952

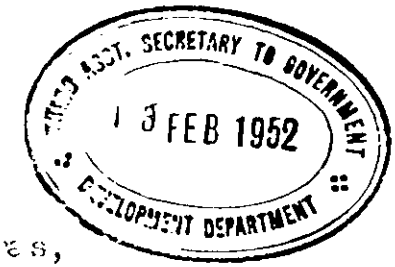
15713

Enclosures.

FROM

THE ACCOUNTANT-GENERAL,

MADRAS.



The Assistant Secretary to
the Government of Madras,
Development Department,
Madras.

Sub: Industrial Sericulture - Acceptance of tender of Filature reeled raw silk supplied to Government of India - Adjustment of charges.

Ref: Government Memorandum No.161733.II.1/49-2 dated 9-1-1952.

With reference to Government memorandum cited above I have to state that the Director of Industries and Commerce, Madras has been addressed in the matter for clarification on certain points. On receipt of his reply a further communication will be sent.

Yours faithfully,

R Krishnamachari
Assistant Examiner (Outside Audit)

SV/6-2-52

Memo no. 101738 G/A7.49.21 dt 14.3.52. Dev (G) Dept

Subj:— Industries — Sericulture. Acceptance of tender for filature reeled raw silk supplied to Govt — Adjustment of Charges.

Ref:— From the A.G. No. A.33.ff. 21/44.45/534 dt 11/3/52

The A.G. is requested to state whether ~~reply from~~ the D.I.Dte has since been received and, if so, when final reply in the matter may be expected.

To,
The A.G.

Copy to the D.I.Dte.
R.D. ~~15.4.52~~
1-4-52.

The Accountant General,
Madras.

The Dr. of Industries & Commerce,
Madras.

No. OA 33f-21/44-45/618 Station 34959 / 28.3.52 Date -3-52

SECRETARY TO GOVERNMENT
20 MAR 1952
DEVELOPMENT DEPARTMENT

Subject:- Industries-Sericulture-Acceptance of tenders for filature reeled raw silk from Kollegal supplied to the Government of India in 1944-Adjustment of charges

Sir,

I have to invite a reference to this office letter No.OA.33f-21/44-50/526 dated 31-1-52 on the subject indicated above and to request that the information called for therein may kindly be furnished urgently to enable this office to send a final reply to Government.

Yours faithfully,

Sd.R.Krishnamachari

Assistant Examiner(OAD)

avr.

No.OA. 33f-21/44-45 /619 dated March 52

Copy forwarded to the Secretary to Government of Madras, Development Department, Fort St.George for information with reference to Govt. Development Dept. Memorandum No.101738 G/49-21 dated 14-3-52.

R Krishnamachari
Assistant Examiner(OAD)
28/3/52

Dev (S) Dept

Submitted for perusal.
Further report from the A.G. may be awaited
till 20-4-52

28/3/52

28/3/52

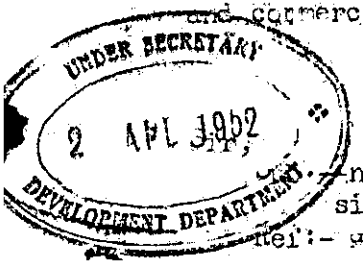
S General—8852/53/A—(E-521)—27-6-55—10,000 Pads.

Industries and commerce Department.

36853/2.4.52

From
The Director of Industries
and Commerce, Madras. 6.

To
The Secretary to Government,
Development Department,
Fort St. George, Madras.



No. 677-D1/48 dated the 27th March, 1952

Sir,

Subject:- Industries - Sericulture - Acceptance of tender for filature reeled raw silk supplied to the Government of India - Adjustment of cost.

Ref:- Government Memo No. 101738-3/49-21 Development dated 14-3-52

With reference to the Government Memo cited, I submit that certain further particulars were required by the Accountant General in his letter No. A. 33f-21/44-[illegible]/526 dated 27-1-52 and they have been called for from the Sericultural Expert. He has been reminded to submit his reply before 5-4-52 on receipt of which the Accountant General will be addressed.

I have the honour to be,
Sir,
Your most obedient servant,

V. S. Rathnam
for Director of Industries and Commerce.

vs/29-4

Dev.(Ag) Dept.

submitted for perusal.
A. Ds.' report may be awaited till 20.4.52, as already agreed
3.4.52 2/4/52

Memo No. 101738. G/49 dd/4.52. Gen. Dept

Subj:— Industries — Sericulture — Acceptance of tenders for filature reeled raw silk supplied to G of I — Adjustment of Charges

Ref:— From the A.G., No. O.A. 33 f. 21/44-45/619 d. 27.3.52 and From the D.I & C., No. 677-D.I/48 d 27.3.52.

The A.G. is requested to state ~~before 15.5.52~~, whether the D.I & C reply has since been received and, if so, when his final reply in the matter may be expected.

A.I. issued 89 29/4/52

and 5/5

So, The A.G. 89 26/4/52 G 28/4/52

26/ply to the DI&C R.D. 15 5/52

Dev 9. Sept

Memo. No 101738 S/45-23 dt 16.5.52

Sub: Industries - Sericulture - Acceptance of tender for filature reeled raw silk - supplied to Govt of India - Adjustment of charges.

Ref: Memo No. 101738 S/45-22 dt 28.4.52

The attention of Mr A.S. is invited to the Memo cited and he is requested to state when his final reply in the matter may be expected.

AS 15.5.52

15/5/52

22/5

Copy to Mr A.S. Nadeem
Dy Dir I & C
R.D. 576/52

Dev (G) Dept 17-18

Memo. No. 101738 G/49-24 dt 7-6-52

Sub: Industries - Sericulture - Acceptance of tenders for flature reeled raw silk from G. S. F., Kollegal.

Ref: Memo No. 101738 G/49-23 dt 16.5.52.

The attention of the A.S. Madras is invited to the reference cited and he is requested to state when this reply with remarks may be expected.

6/6/52

Jo/ Asst. G. Madras
R.D. 25.6.

Dev (S) Dept.

Memo. No. 101738 G/49-25 d. 25/6/52

23/6/52

Sub:- Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from G.S.F. Nagpal.

p. 48 cr

Ref:- Memo. No. 101738 G/49-24 d 7.6.52

The attention of the A.S. Madras is invited to the reference cited and he is requested to state when his reply on the subject may be expected.

23/6/52

To the A.S. Madras
R.D 16.7.52

Memo no. 101738 G/49-26dt/-7-52. Dev. Dept.

Sub :- Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from G.S.F., Kollegal.

Ref :- Govt. Memo no. 101738 G/49-25 Dev., d 25-6-52.

The A.G. is requested to state when his reply in the matter may be expected.

To,

A.G.

N.R.D. 16.8.52

The Accountant General,
Madras.

The Secretary to the
Government of Madras,
Development Department,
MADRAS.

53

UNDER SECRETARY
19 JUL 1952
DEVELOPMENT DEPARTMENT

Cr..conl.I.258. Madras. Dated 17-7-52.

81572
19.7.52

Sir,

Subject: Industries - Sericulture - acceptance of tenders for filature reeled raw silk from Government silk filatures, Nellegal.

-o-

With reference to Government Memorandum No.101738 C/ 749-25 dated the 25th June, 1952, I am to state that the Director of Industries, Madras has been further addressed in the matter in this office Cr..3.F.2/44-45/128 dated the 28th June, 1952. His reply has not yet been received and on receipt thereof the final reply to Government will be sent.

Yours faithfully,

Examiner (Outside Audit.)
Office of the Accountant General, Madras.

No.Cr.conl.I.259 dated 19/7

Copy forwarded to the Director of Industries and Commerce, Madras for information. He is requested to furnish the information called for in this office letter Cr.3.Sept./44-45 dated 28-6-52 urgently.

Gen. (Ys) dept.

Submitted for perusal.
The A. G.'s final reply may be awaited till 20-8-52.
30/27/52
22/7/52.

Dept Deptt.
55

Memo no. 101738 G/49-17d21 - 8-52.

Sub:— Industries — Sericulture — Acceptance of tenders for filature reeled raw silk from G.S.F Kollegal.

Ref:— From the A.D., O.A. Comd. I. 258 d. 17-7-52

The A.G. is requested to state whether the D.I & C has since furnished the necessary particulars and, if so, when his final reply in the matter may be expected.

To The A.G. Madras
5 Copies

The D.I & C.
Madras 6.
R.D. 20/9/52

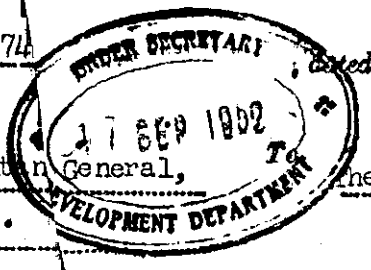
20/8/52
20/8/52

GUM LINE.

MEMORANDUM.

105386

O.A.Comml.I.274 ; Dated the 15 September 1952.



The Accountant General,
Madras.

From The Assistant Secretary to the
Government of Madras,
Development Department,
Fort St. George, Madras.

Subject: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from Government silk filatures, Kollegal.

1053-Iv

With reference to Government memorandum No.101738.G/49-27/ Development Department dated 21-8-52 in the subject noted above, I am to state that reply of the Director of Industries and Commerce, Madras has since been received and the same is under Scrutiny.

A final reply will be sent shortly.

KP 12/9

V. Ramachandramurthy
Assistant Examiner (O.A.D.)

18/9

Sec (G) 22/9/52

The final reply may be awaited
file 2/10/52

AB 22/9/52 KP 22/9/52

1854

IFP—504 S&P- 6923-50—(M-839)—25-11-47—40,000 Pads.

No. O.A. 33f-21/44-45/547 Office of the Accountant
Madras, dated

From
The Accountant General,
Madras.

To
The Secretary to
Government of Madras,
Development Department,
Fort St.George, Madras.

UNDER SECRETARY
DEVELOPMENT DEPARTMENT

Dev 15719/53
11.2.53

Sub: Industries - Sericulture - Acceptance of tenders for filature reeled raw silk from Kollegal Silk Filatures, Kollegal in 1944 - Silk supplied to Govt. of India for the period 24-3-1944 to 31-8-45 Adjustment of excess.

Sir,

With reference to Development Department Memorandum No. 101738 G/49-29 dated 24-10-1952 on the subject indicated a I am to state that the necessary adjustments crediting Governm of India to the extent of Rs.3417-3-0 have been made in the of January 1953.

Yours faithfully,

Assistant Examiner (O.A.D)